

# Roadshow Presentation FY 2023 Mercedes-Benz Group AG

# AGENDA

## I. Results FY 2023

## II. Outlook FY 2024

## III. Strategy

### 1. Mercedes-Benz Cars

#### 1.1 Luxury

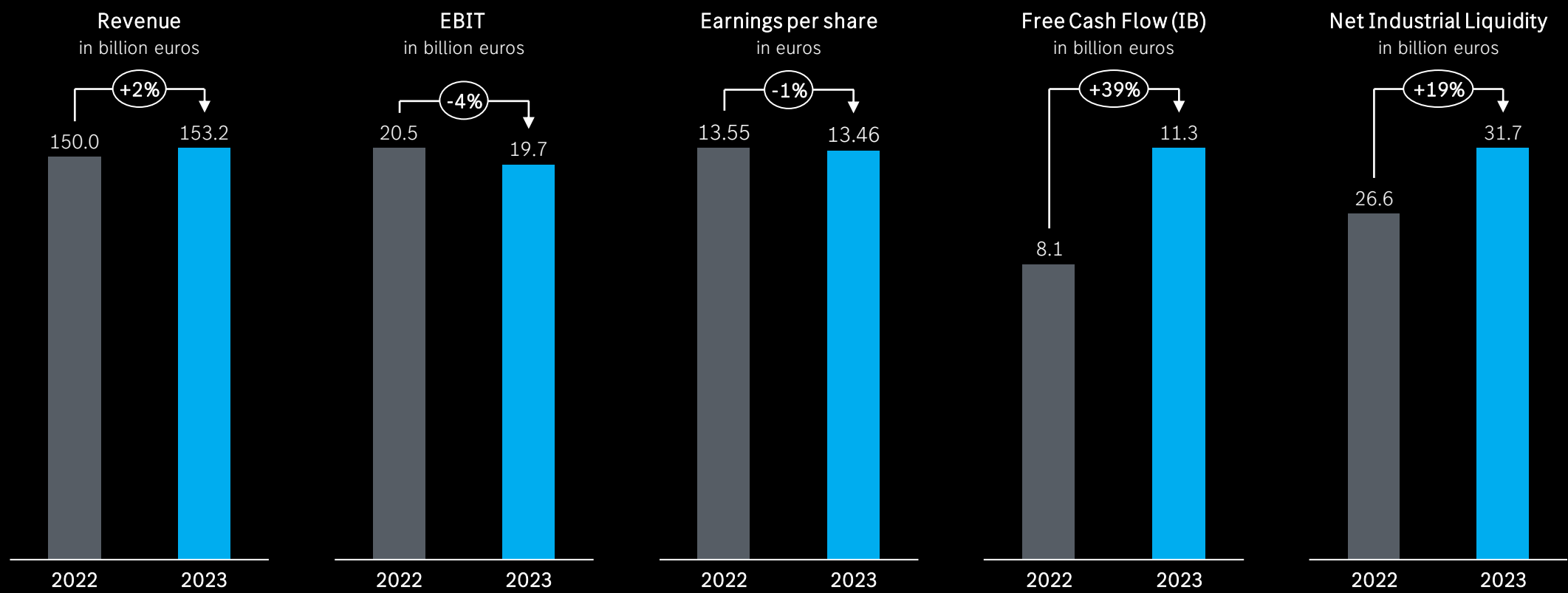
#### 1.2 Electrification

#### 1.3 Automated Driving & Operating System

### 2. Mercedes-Benz Vans

### 3. Mercedes-Benz Mobility

# Mercedes-Benz Group: Key figures\*



# Mercedes-Benz Cars: Key messages



Solid results demonstrate resilience in challenging environment

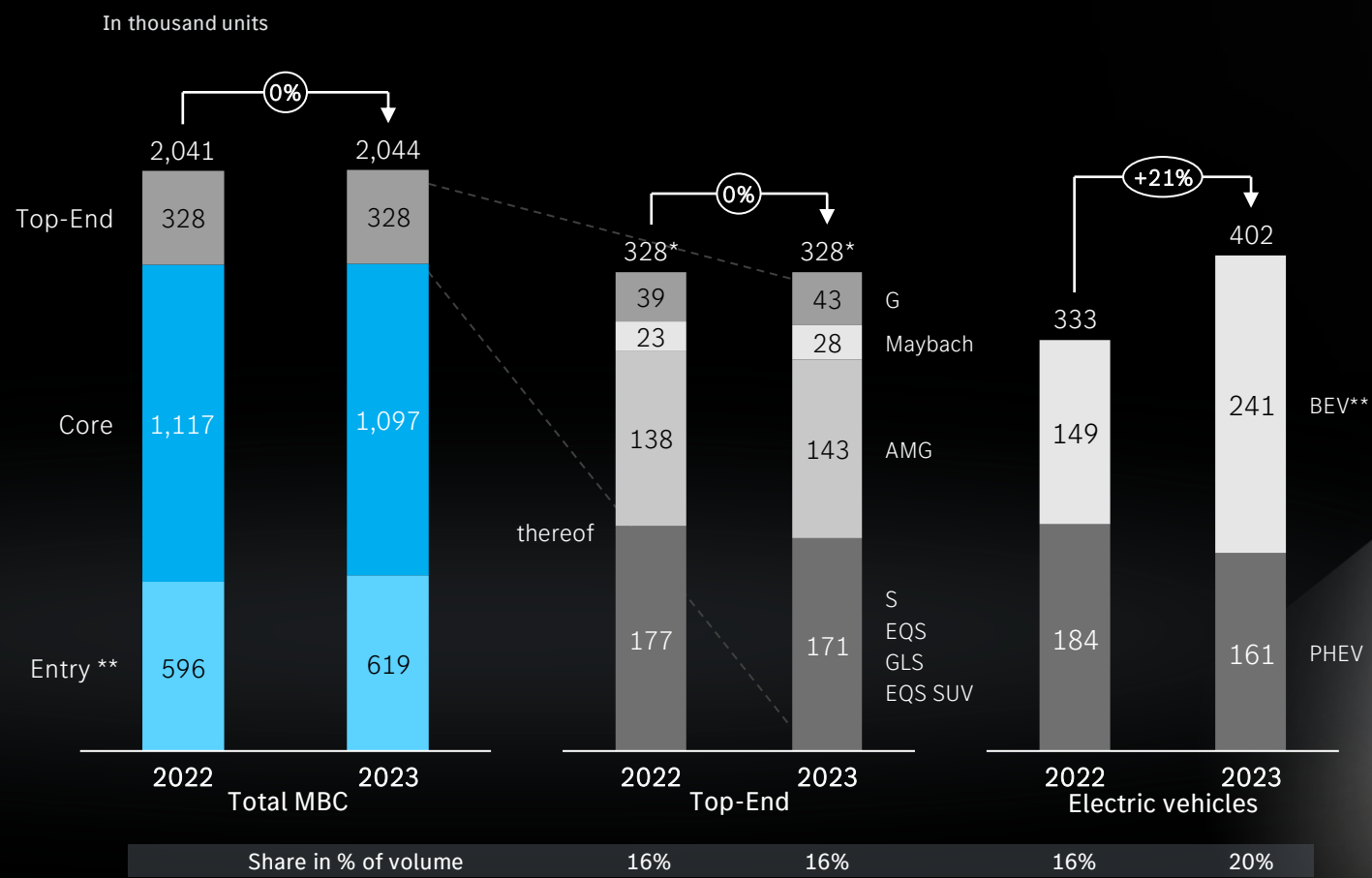
Scaling BEV: +73% sales growth at Mercedes-Benz Brand. Premiere of E-Class family, GLC Coupé, CLE, AMG GT Coupé and Maybach EQS SUV

Concept CLA gives glimpse of MMA platform; L3 introduction in California, testing license in China approved; ChatGPT integrated into U.S. cars; hyper-personalised user experience showcased at CES

Further rollout of direct sales model in UK, Germany, Turkey and Malaysia

# Mercedes-Benz Cars:

## Top-End and electric vehicle unit sales



# Mercedes-Benz Vans: Key messages



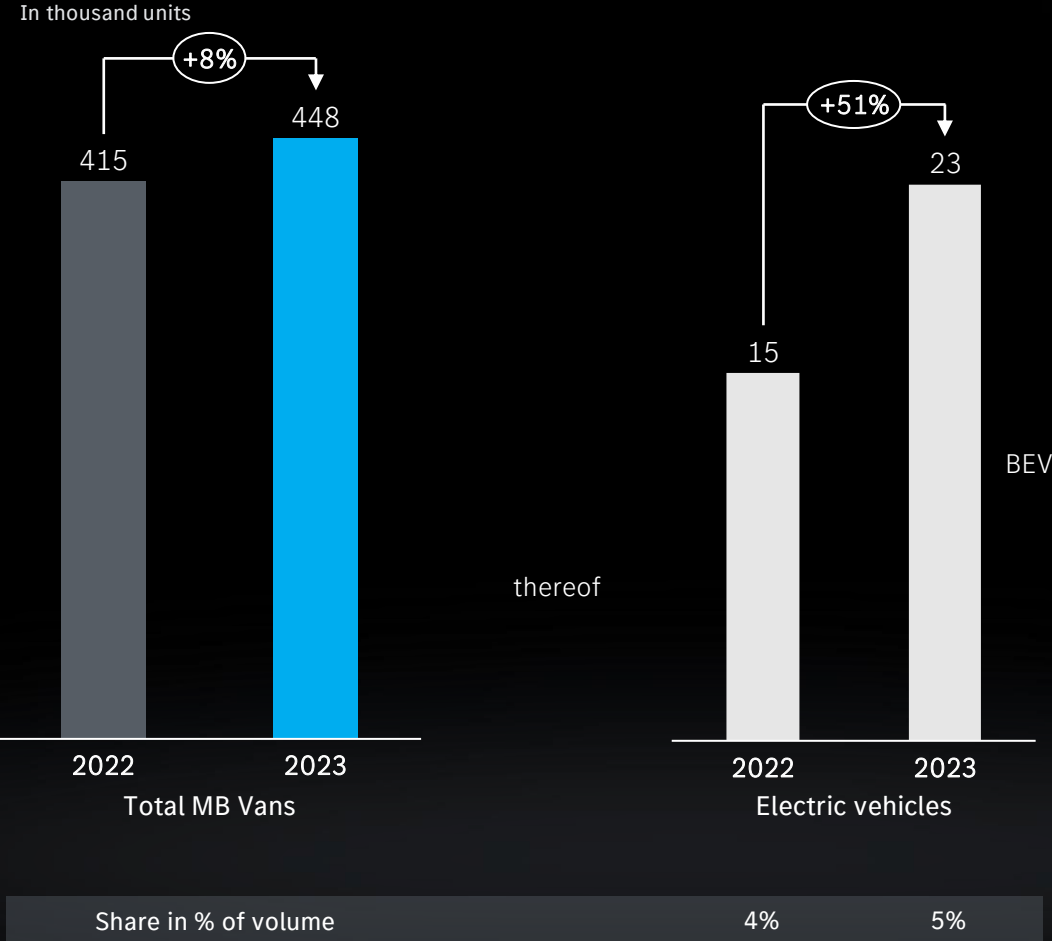
Executing value growth strategy: large vans dominating sales growth with Sprinter as segment leader in Europe, total market leader in Germany, sales record in U.S.

Premiere of new eSprinter and mid-size van portfolio; electrification of each segment completed

Strong product substance, healthy mix, robust net pricing & price premium combined with efficiency measures result in good financial performance

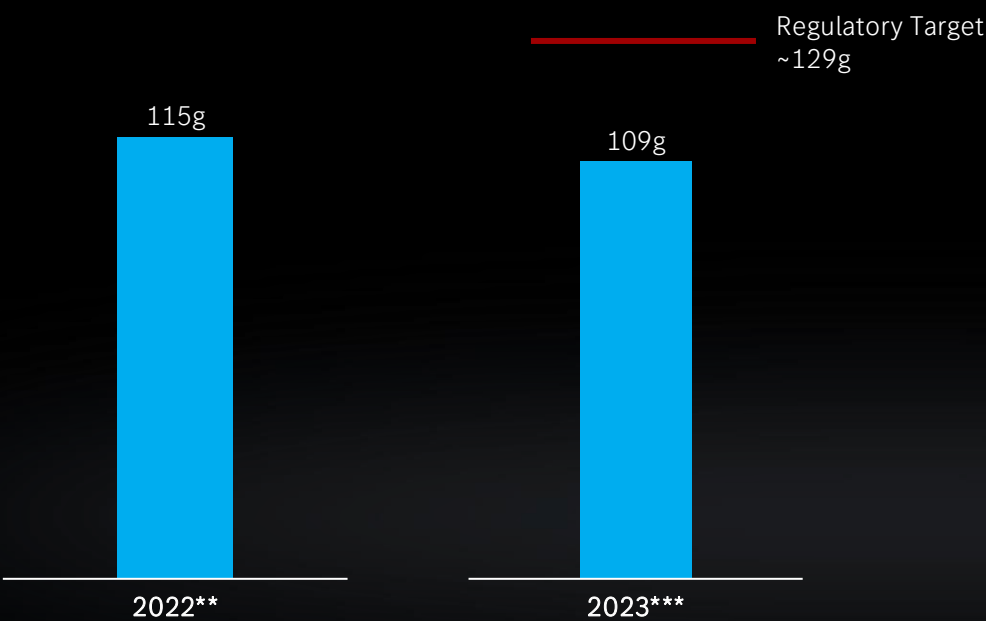
Long-term targets outlined at Strategy Update in May

# Mercedes-Benz Vans: Electric vehicle unit sales



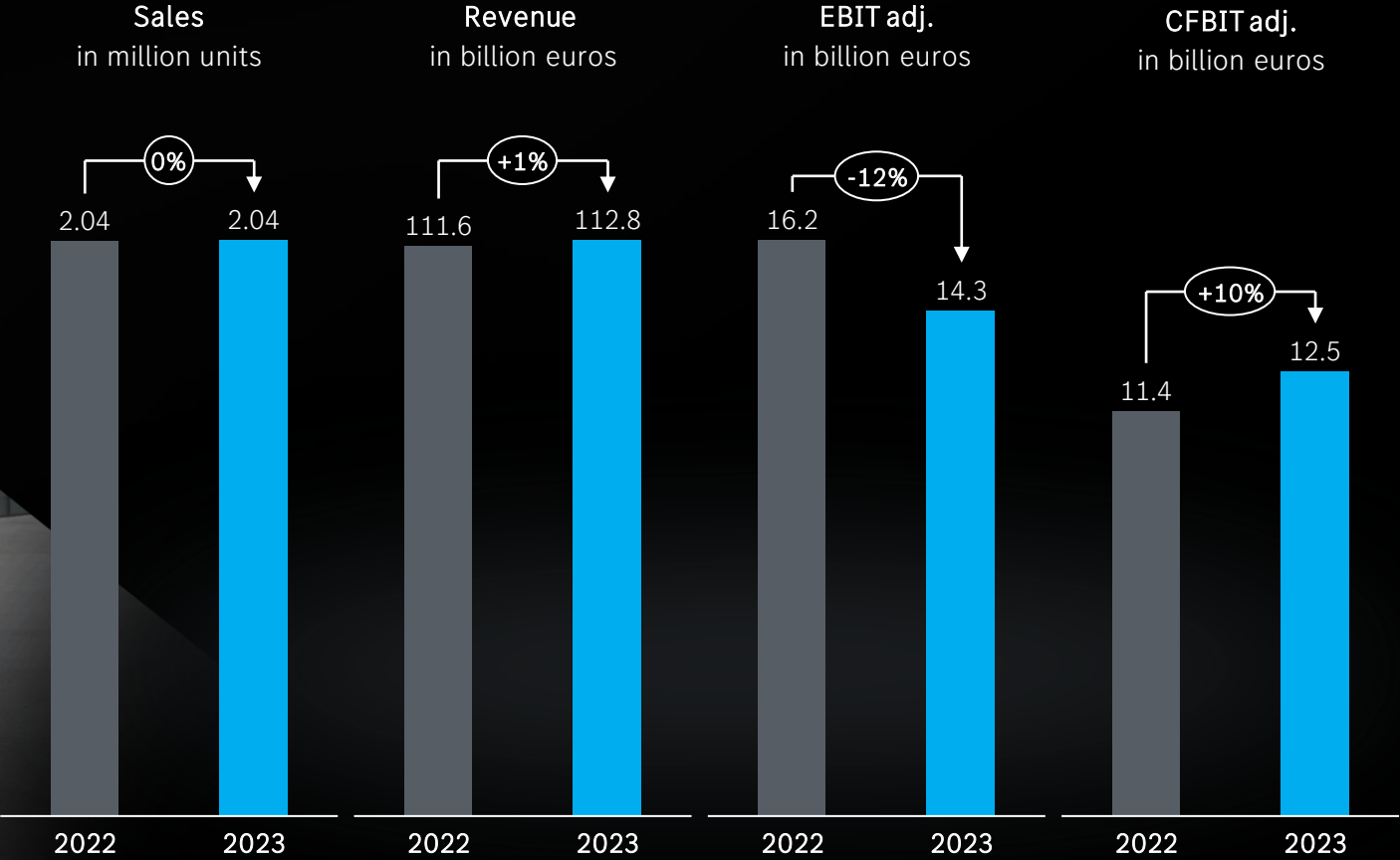
# Mercedes-Benz Group: Cars and private Vans

## Internal data confirms CO2 compliance 2023 in Europe\*

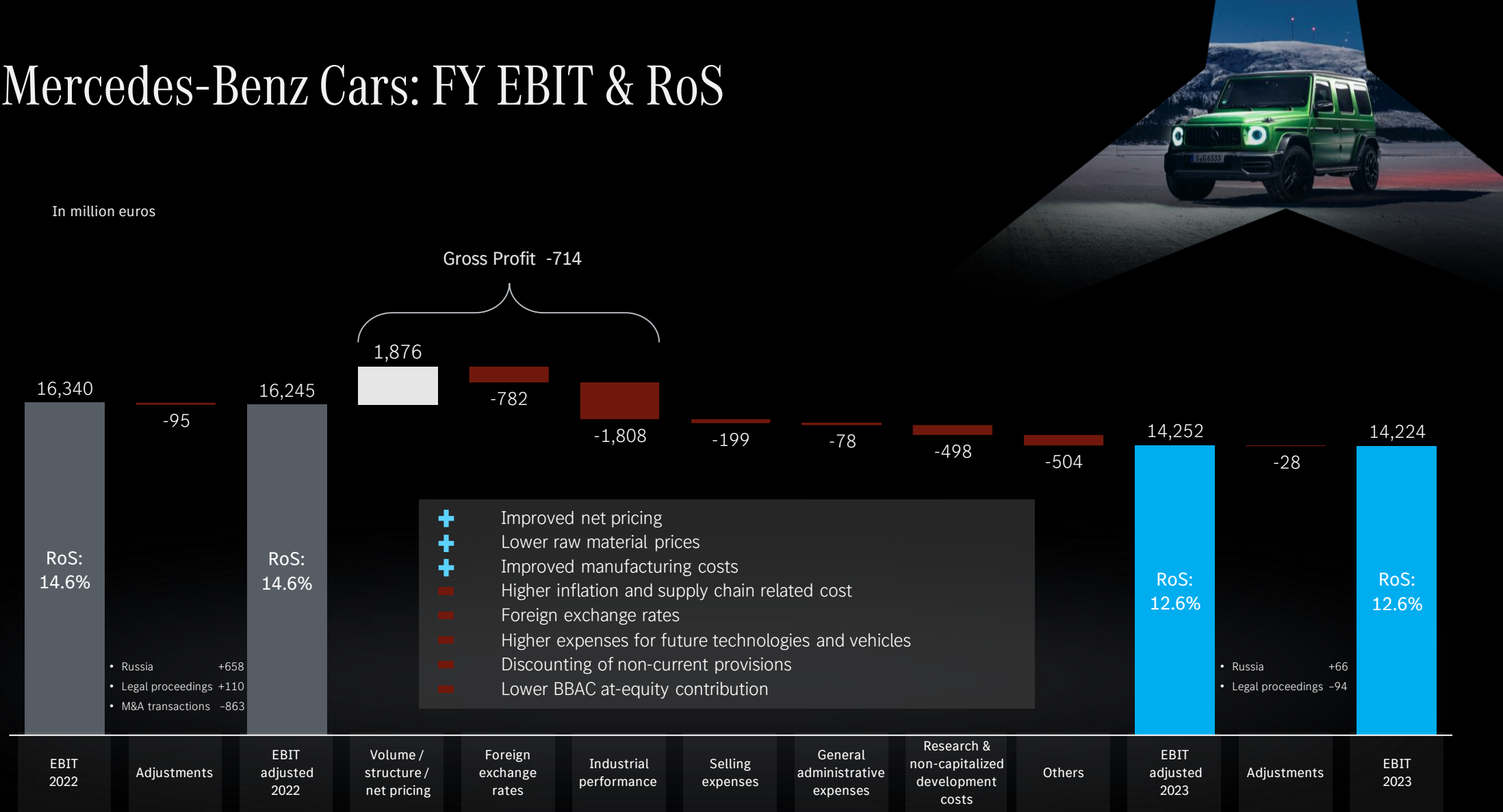


\* Average CO2 emissions of the total fleet of newly registered vehicles within the Mercedes-Benz CO2 pool in Europe (European Union, Norway and Iceland) in the reporting year as measured on the basis of the WLTP, i.e. including vans that are registered as passenger cars.  
\*\* Based on internal data; incl. Eco-Innovation  
\*\*\* Based on internal data; for MB CO2 pool (incl. Eco-Innovation and smart automobile Co Ltd.)

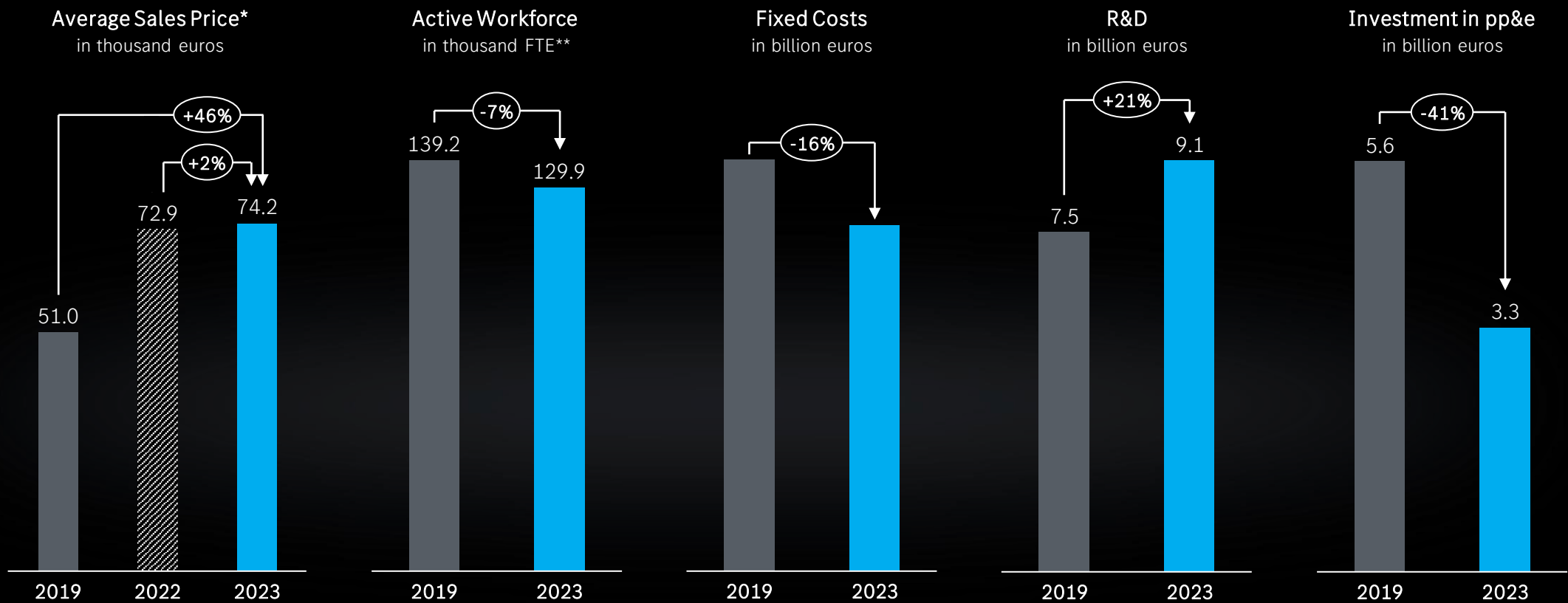
# Mercedes-Benz Cars: Financials



# Mercedes-Benz Cars: FY EBIT & RoS

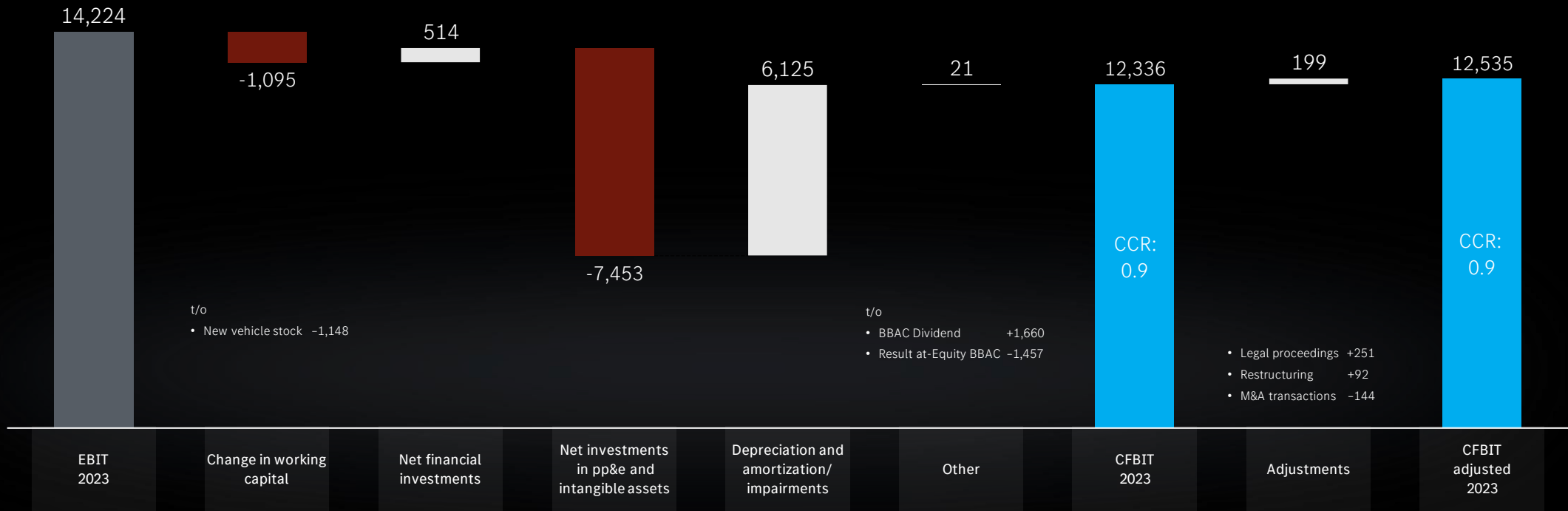


# Mercedes-Benz Cars: Indicators of Change

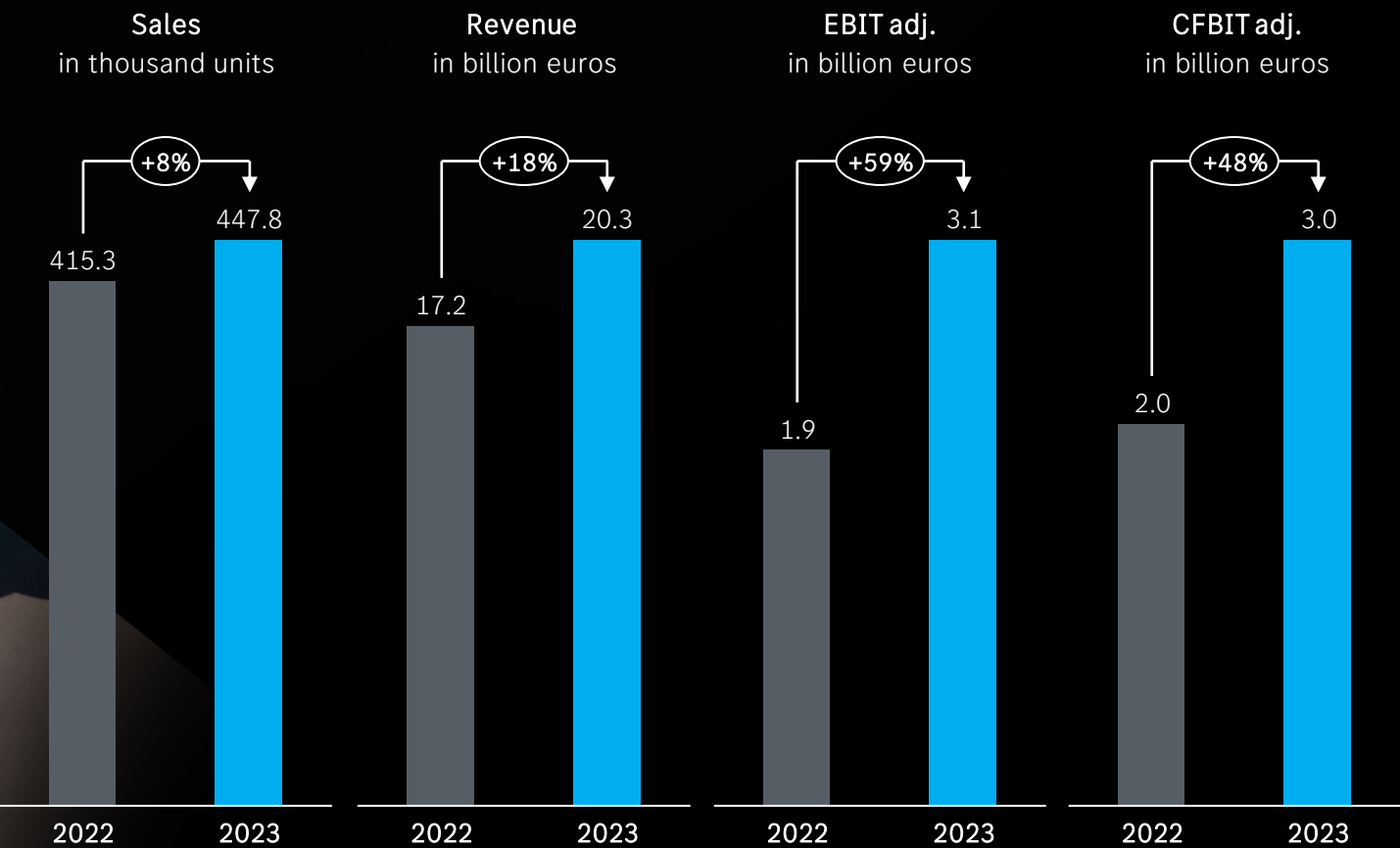


# Mercedes-Benz Cars: EBIT to CFBIT

In million euros

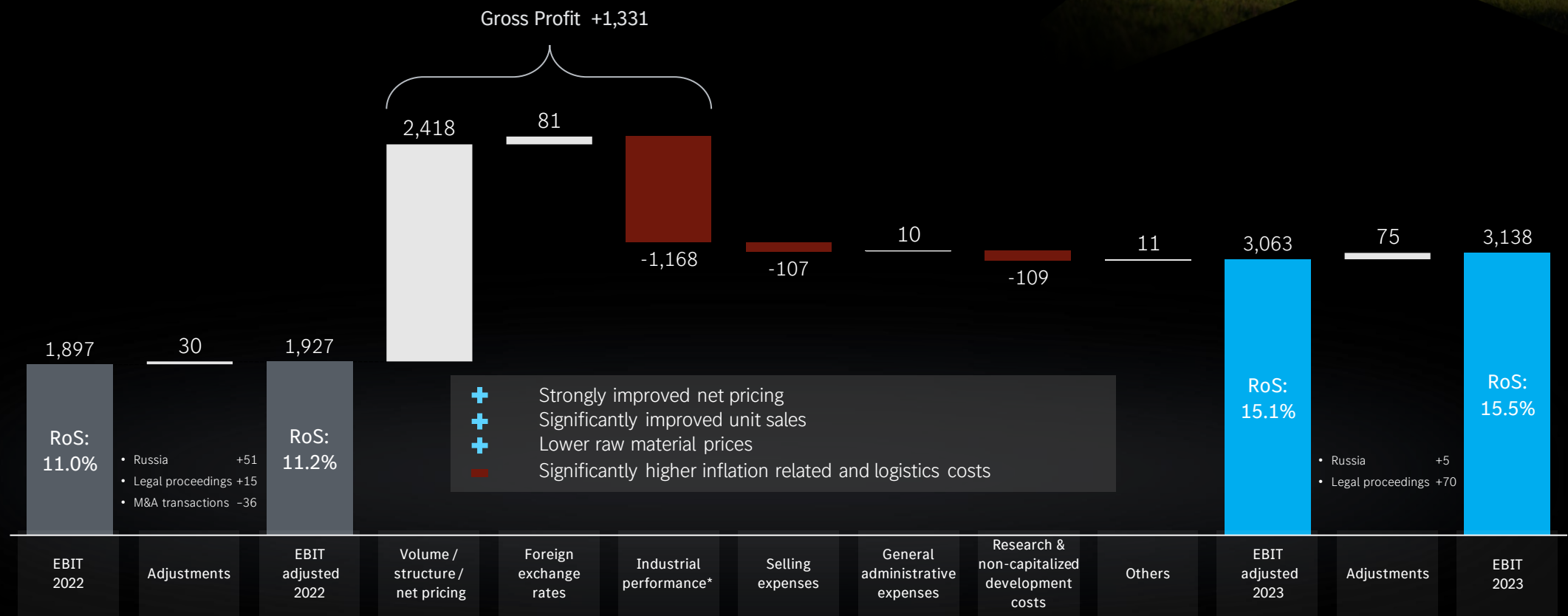


# Mercedes-Benz Vans: Financials



# Mercedes-Benz Vans: FY EBIT & RoS

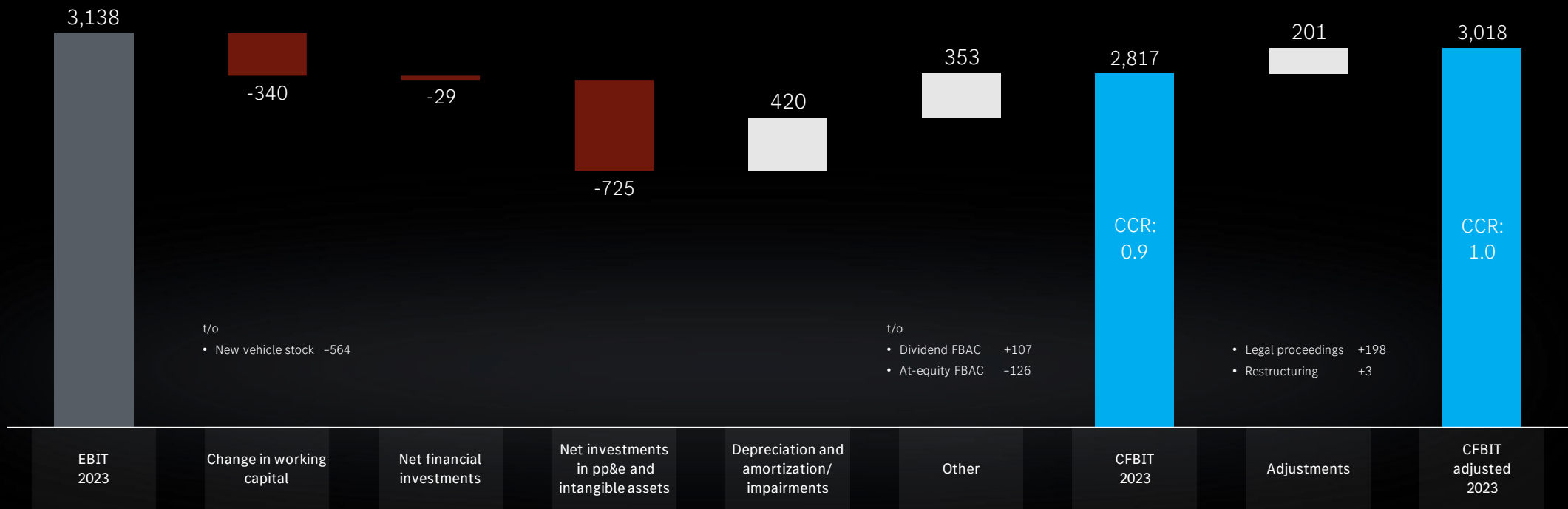
In million euros



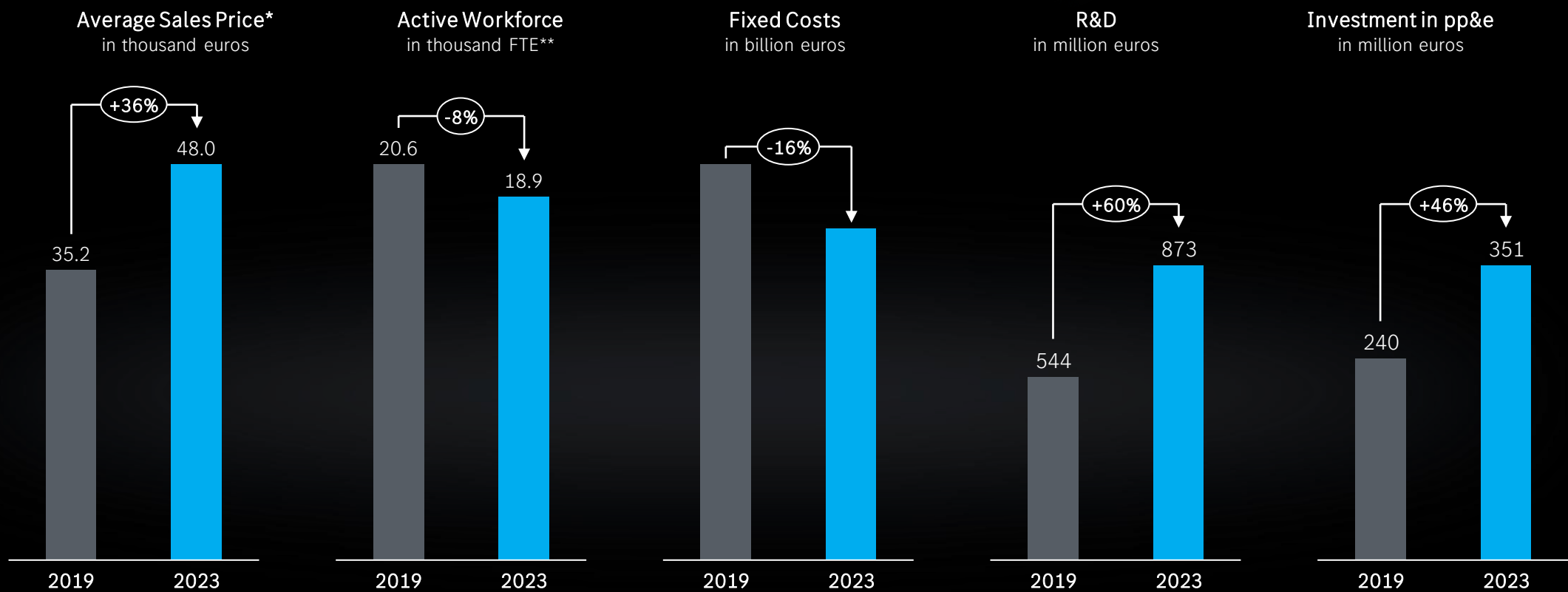
\* Including mid three-digit million euro figure related to higher inflation in Argentina

# Mercedes-Benz Vans: EBIT to CFBIT

In million euros



# Mercedes-Benz Vans: Indicators of Change



\* Excluding FBAC Business  
\*\* FTE = Full time equivalent

# Mercedes-Benz Mobility: Key messages



Sound new business development with continued focus on electric vehicles; xEV penetration rate above average

Portfolio margin impacted by higher interest rates in competitive environment while acquisition margin started to improve

Overall solid cost of credit risk despite macroeconomic environment

First sites of Mercedes-Benz high-power charging network live in Germany, USA and China; further investing into ramp-up of charging business

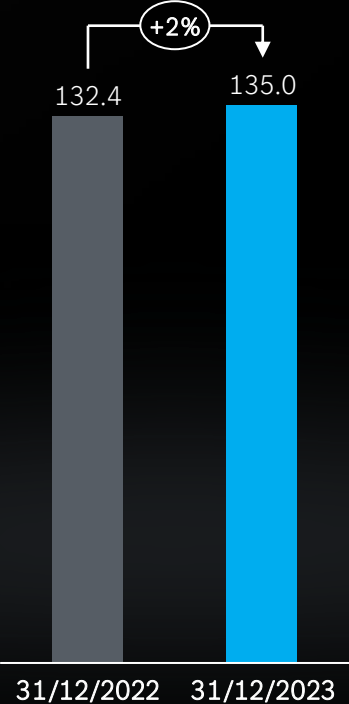
# Mercedes-Benz Mobility: Financials



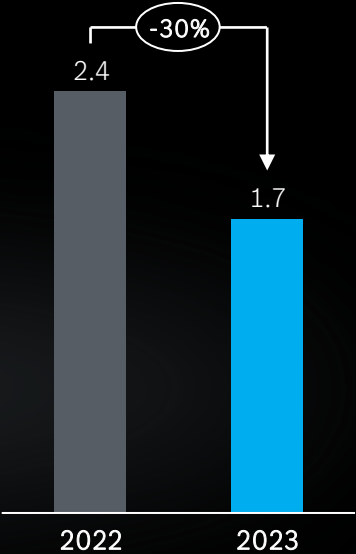
New Business  
in billion euros



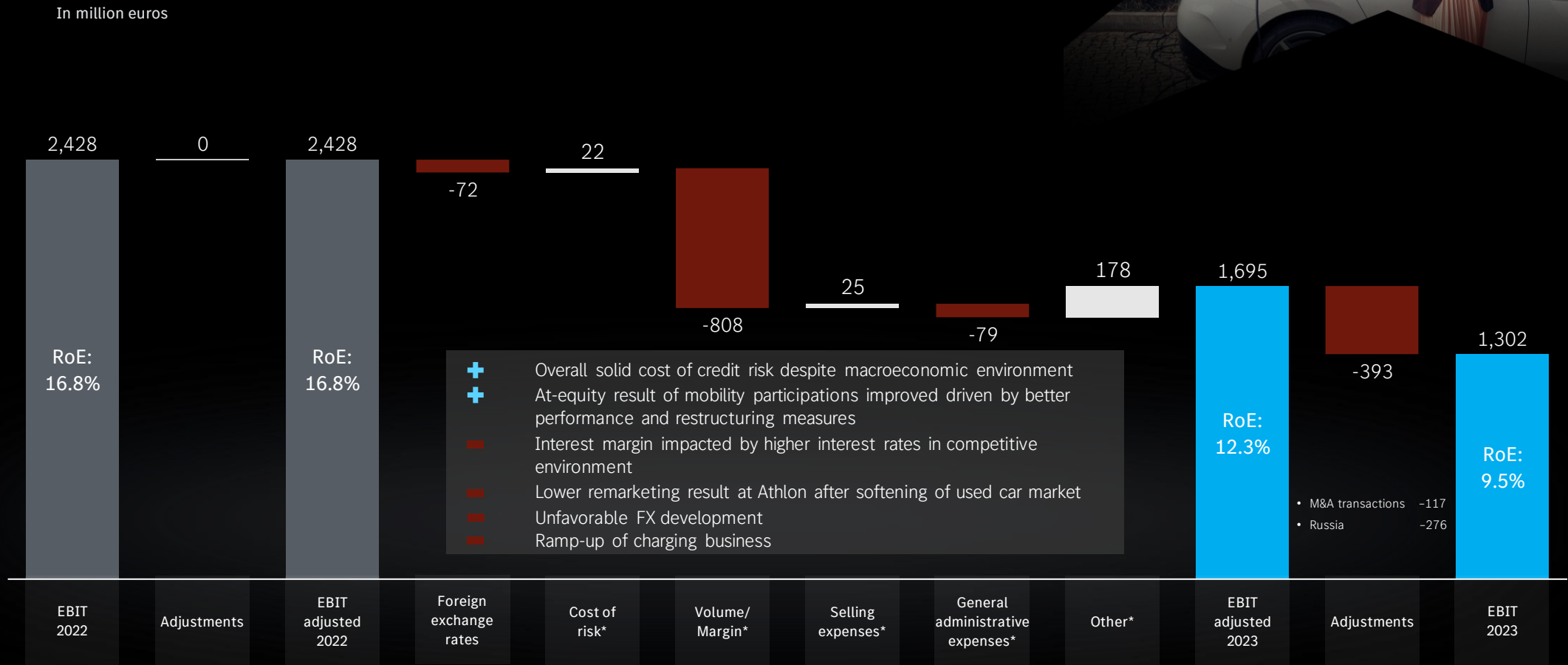
Contract Volume  
in billion euros



EBIT adj.  
in billion euros



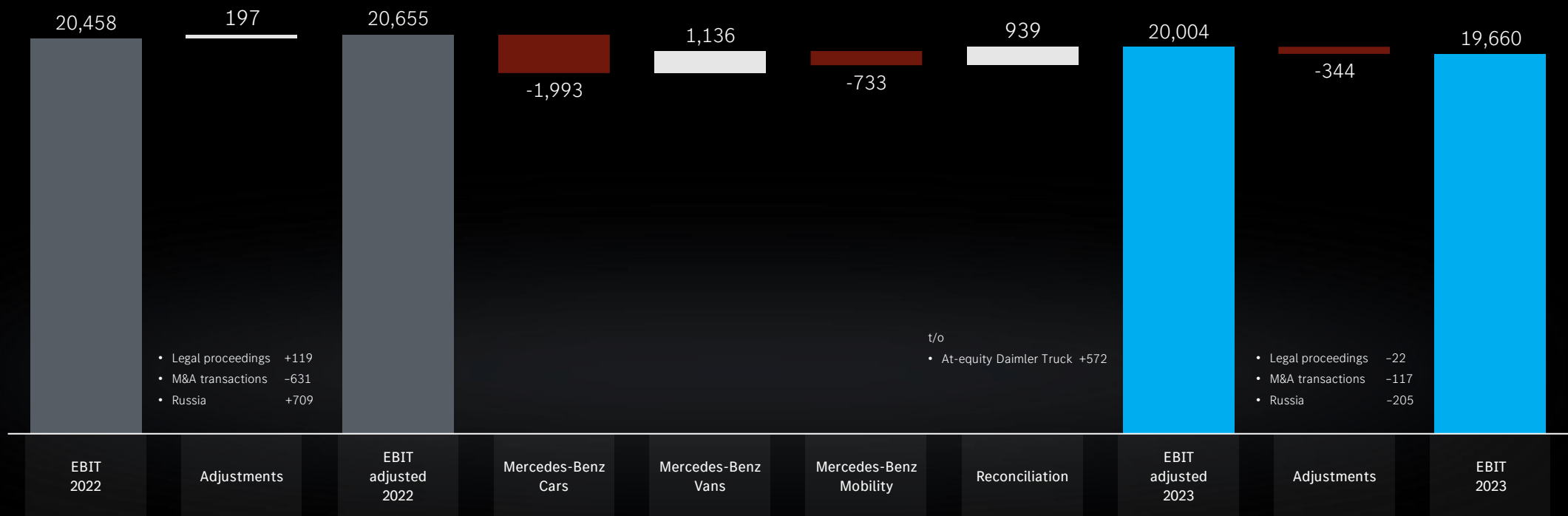
# Mercedes-Benz Mobility: FY EBIT & RoE



\* Excluding FX effects

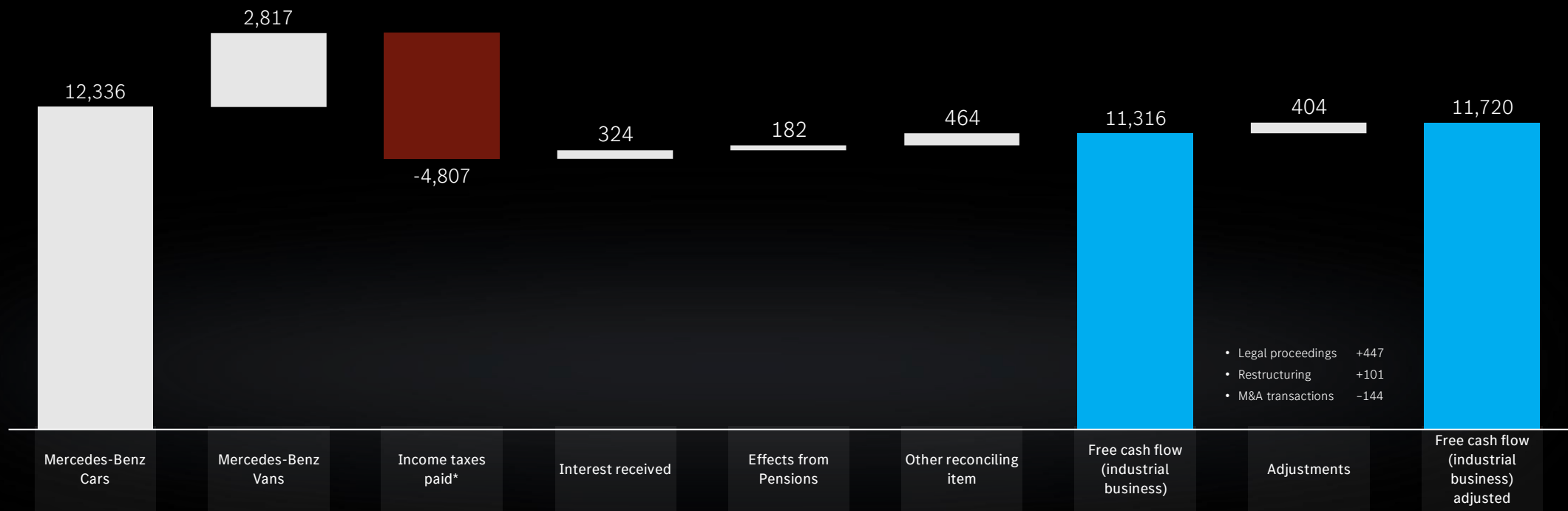
# Mercedes-Benz Group: EBIT

In million euros



# Mercedes-Benz Group: Reconciliation from CFBIT to Free Cash Flow

In million euros

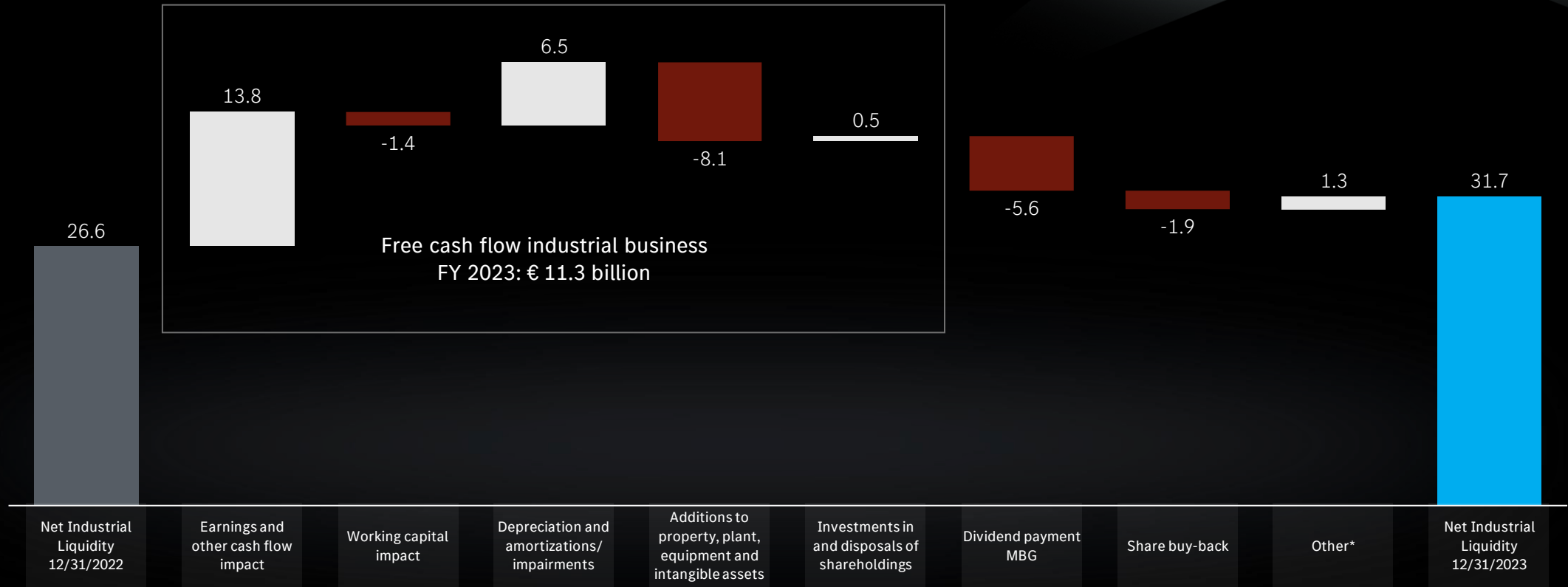


\* Includes internal tax prepayments from Mercedes-Benz Mobility to the industrial business

# Mercedes-Benz Group: Net Industrial Liquidity



In billion euros



\* Mainly dividends from MBM

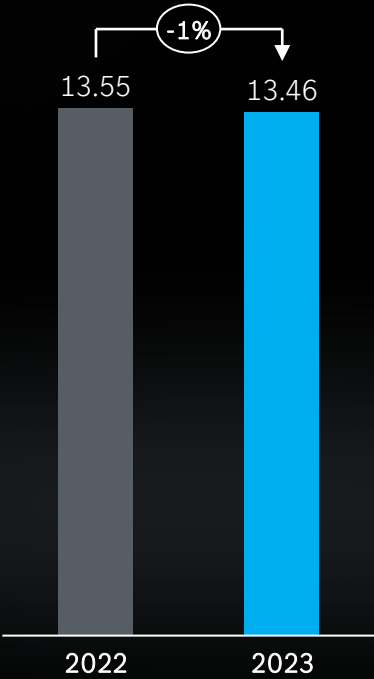
# Mercedes-Benz Group: Dividend



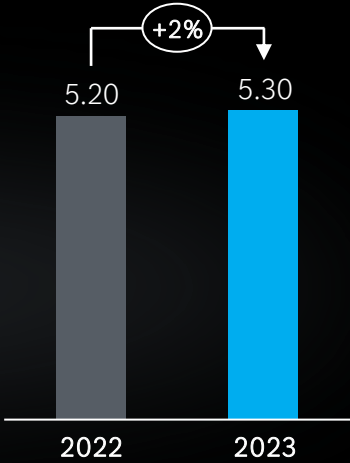
Net profit  
in billion euros



Earnings per share  
in euros



Dividend per share proposed  
in euros



# Capital Allocation Framework

## New Share Buyback Policy

Distributing available Free Cash Flow of the industrial business (after M&A) generated beyond the dividend payout ratio of approx. 40% of Group Net Income to our shareholders

## Completion of current Share Buyback in Q3 2024 possible

Repurchases well underway

(already acquired ~EUR 2.1 bn out of EUR 4.0 bn to date)

## Additional Share Buyback of up to EUR 3.0 bn

Using remaining headroom from existing AGM approval of 10%

Begin after current share buyback, expected completion until Q2 2025

## AGM 2025

We intend to ask for a **renewal of the authorization for share buybacks in our AGM 2025** to further continue share buybacks in line with the Share Buyback Policy

## Dividend policy confirmed

Sustainably attractive dividend with **target payout ratio of approx. 40%** of Group Net Income

General principle: With any share buyback programme we will keep flexibility on the execution in case of unexpected market developments

## Capital Allocation Framework

Free Cash Flow IB

Dividend of approx. 40%

New Share Buybacks

**Target: Continuously growing EPS and DPS over the next years**

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# Mercedes-Benz Divisional Guidance 2024



## ASSUMPTION

The premises regarding the economic situation and the development of automotive markets continue to be characterized by an exceptional degree of uncertainty. In addition to unexpected macroeconomic developments, uncertainties for the global economy and the business development of the Mercedes-Benz Group may arise in particular from geopolitical events and trade policy. Among them are the current Middle East conflict, the Russia-Ukraine war and other potential regional crises. Other uncertainties that are particularly worth mentioning include an exacerbation of tensions between the United States and China and a further deterioration of political relations between the European Union and China.

Further supply chain disruptions and, in particular, availability bottlenecks for critical components remain a significant risk factor. Sharp rises in energy and commodity prices, higher-than-expected inflation rates and interest rates, potential financial market disruptions and an even more pronounced slowdown in economic growth in individual regions or worldwide may also have an impact on the development of the world economy and the automotive markets.

Unit Sales	Mercedes-Benz Cars	At prior-year level
	Mercedes-Benz Vans	Slightly below
xEV share	Mercedes-Benz Cars (xEV)	19 to 21 %
	Mercedes-Benz Vans (xEV)	6 to 8 %
Return on Sales (adjusted*)	Mercedes-Benz Cars	10 to 12 %
	Mercedes-Benz Vans	12 to 14 %
	Mercedes-Benz Mobility (RoE)	10 to 12 %
Cash Conversion Rate** (adjusted)	Mercedes-Benz Cars	0.8 to 1.0
	Mercedes-Benz Vans	0.6 to 0.8
Investment in pp&e	Mercedes-Benz Cars	Significantly above
	Mercedes-Benz Vans	Significantly above
R&D expenditure	Mercedes-Benz Cars	At prior-year level
	Mercedes-Benz Vans	Significantly above

\* The adjustments include material adjustments if they lead to significant effects in a reporting period. These material adjustments relate in particular to legal proceedings and related measures, restructuring measures and M&A transactions.

\*\* Adjusted Cash Flow before Interest and Taxes (CFBIT) divided by adjusted EBIT.

# Mercedes-Benz Group Guidance 2024



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Revenue

At prior-year level

EBIT

Slightly below

Free Cash Flow (Industrial Business)

Slightly below

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# Mercedes-Benz – The original and most valuable luxury car brand

## Heritage:

Mercedes-Benz is built on constant reinvention



## Formula 1:

The power of F1 for our brand



# \$61 bn.

Mercedes-Benz brand value 2023  
which equals +9% vs. prior year\*



# We elevate our physical brand experience with unique “Mercedes moments”



## “The Mercedes-Benz Way”

Train sales and service partners in 28 markets until end of 2024 to elevate customer experience

## New retail brand concept

Customers experience new look and feel already visible in >30% of showrooms worldwide

## Brand center network

Global expansion to ensure highly individual customer experience for AMG, Maybach & G

# We put our customer at the center of our business



## Retail of the future

Rollout of agency model in full swing. 11 markets live today, covering >50% of sales volume in Europe and >30% in Overseas



## eCommerce & digital customer experience

Option to buy MB offline and online in >40 markets worldwide. MB online store among Top 3 in industry-wide benchmarks\*

# Approaching our customers

Specific Mercedes-AMG touchpoints continue to grow worldwide



Digitalisation drives the importance of the physical brand experience



Direct sales:  
one giant leap for our customers and for us

Our ambition for mid-decade

20 markets globally

over 80%  
direct sales in Europe

25% online sales



# Significant progress with our top-end vehicles and increasingly electric with even more conquest potential

+31%

250k to 328k

Top-end vehicle unit sales 2023 vs. 2019



~60%

Expected growth of top-end vehicle share  
of total Mercedes-Benz sales 2019-2026



50%

more adults with wealth above 1 million USD  
(2020-2025)

# We focus on our main task: Building desirable cars



“Mercedes EQS:  
The S stands for  
stunning”

New York Times

EQE: “the epitome of  
technology and  
finesse”

AutoLab

EQE SUV : “a  
beautiful,  
luxurious gem”

L’argus

EQS SUV: “one of  
the most  
complete luxury  
offroaders”

Top Gear



Mercedes-Maybach EQS 680 SUV | WLTP: electricity consumption combined: 24.1-22.0 kWh/100km;  
CO<sub>2</sub>-emissions combined: 0 g/km

# At Mercedes-Benz, desirability is not a matter of drivetrain

E-Class

“debuts a bevy  
of new tech”

Top Gear

GLC Coupé

“qualities that few if  
any rivals can match”

Autocar

S63

“the quiet luxury  
of driving”

Bloomberg



We will introduce new tailor-made products  
to capture further growth potential in China



E-Class LWB fond developed in China for China

Mercedes-Benz



15

new models will be introduced  
to China in 2024

# Our game plan: generate returns consistent with our luxury status

## What we are going to do

- Focus on **pricing power**
- Optimise product portfolio
- Tap full **potential of top-end segment**
- **Exit lower margin products and channels**
- **Control investment and capacity** while driving up contribution margins



## The financial Impact

- **Drive ASP higher**
- Find a **superior operating equilibrium**
- **Structurally higher profitability** and improved margin resilience
- **Higher return on invested capital**

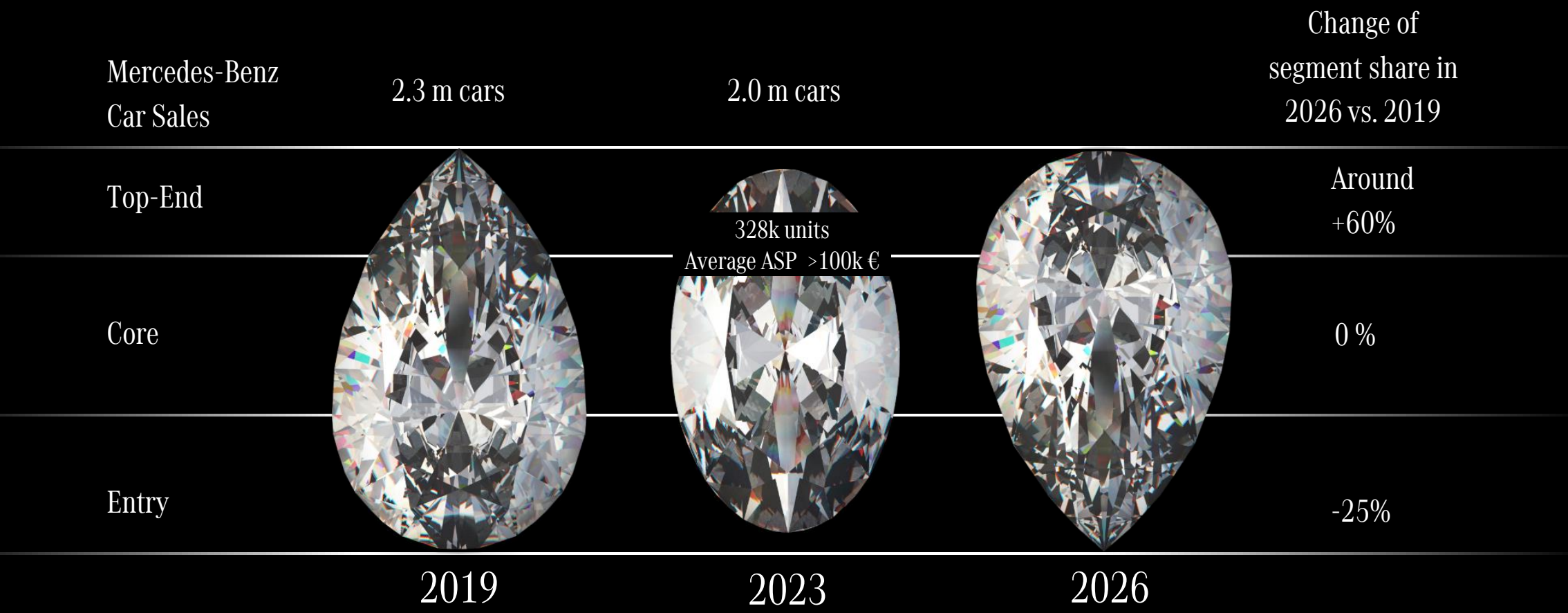
# The power of pricing is part of our strategy

## Key Levers

- Superior **brand** drives pricing power
  - Strong **products enable** ambitious **initial price setting** versus competition
  - Sustainable **price escalation**
  - Tight **discounts**: from sales push to lifecycle management
  - **Direct sales** model allows grip on pricing
- 
- » Clear objective to **continually raise our net pricing yoy**
  - » Ambition to **compensate raw material cost increases** via pricing
  - » We will continue to control pricing and supply even if competitors pursue a volume strategy

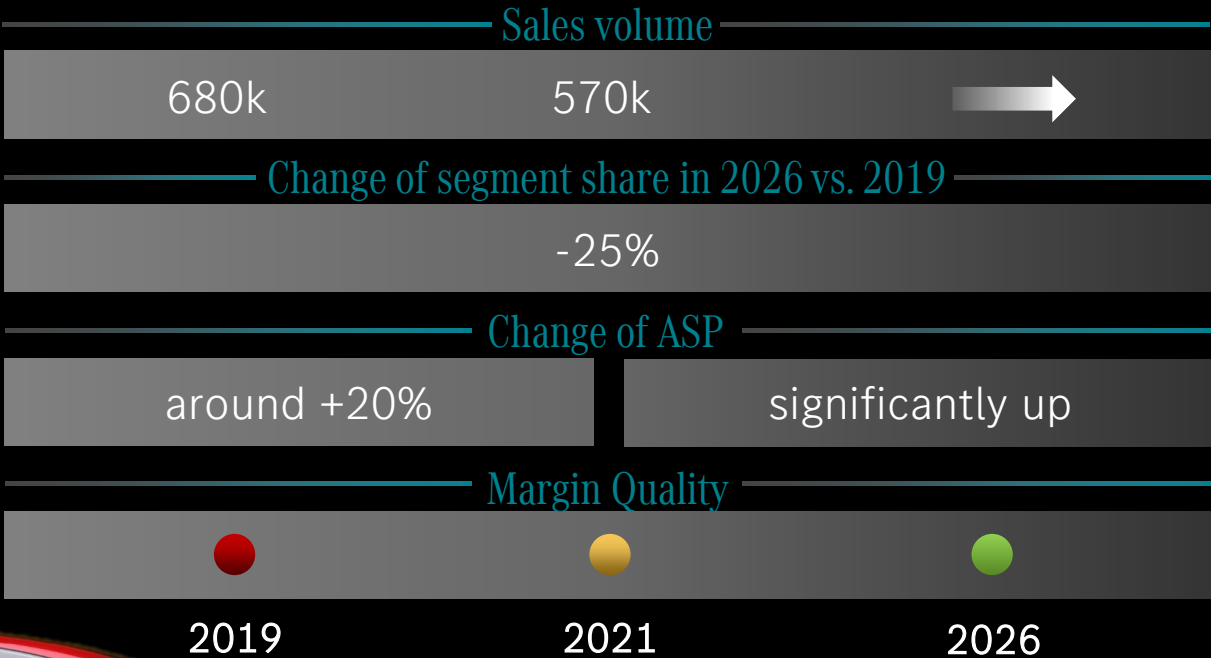


# Reshaped model portfolio will drive profitable sales growth



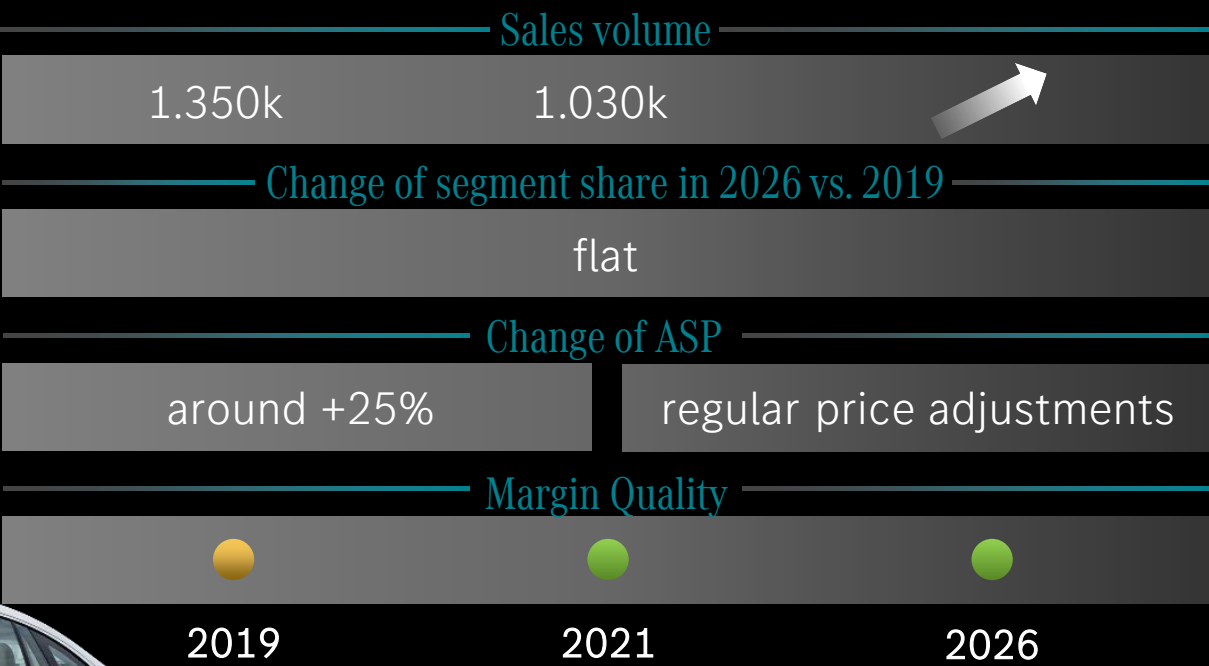
# Entry Segment - Focus & Elevate

- Elevate to Entry Luxury
- Product range refocused on **fewer and more upscale portfolio positions**: MMA platform with CLA, CLA Shooting Brake, GLA and GLB
- The new entrance point of the portfolio is being **redefined** with the next generation of vehicles
- **Margin threshold** supports Group margin ambition



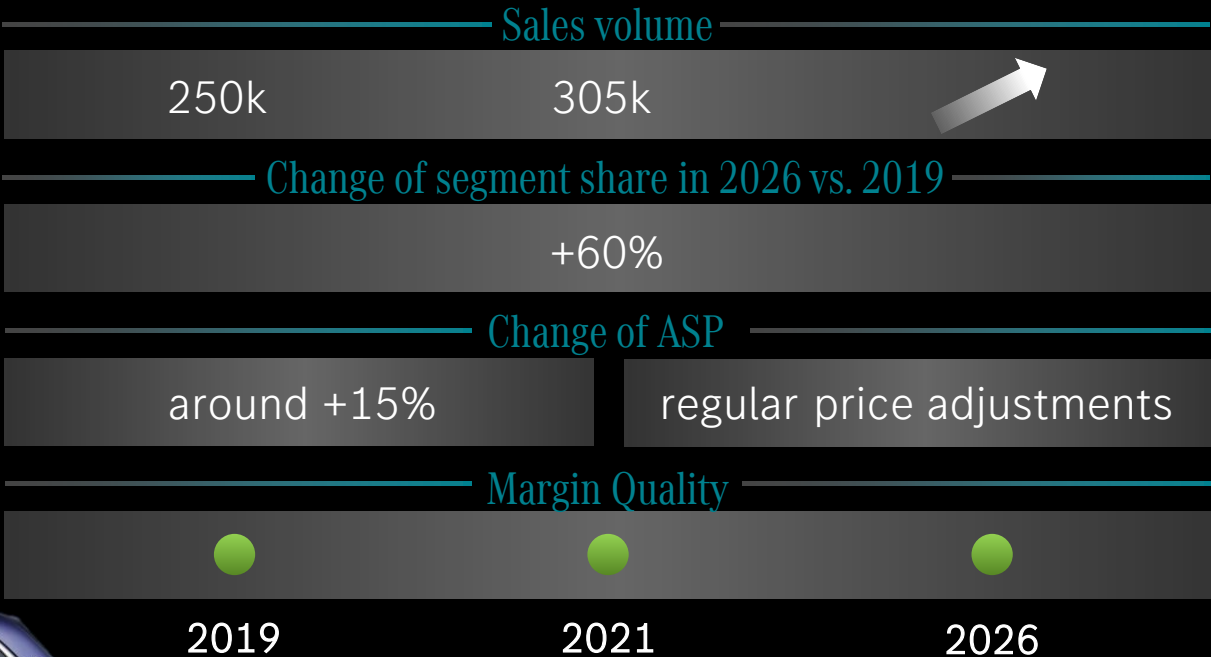
# Core Segment - Grow & Refine

- Core Luxury going electric on an accelerated timescale, leveraging EVA (EQE, EQE-SUV) and then MB.EA architectures
- Brand-new GLC Coupé, CLE Coupé and E-Class Saloon & Estate launched in 2023
- Protect healthy margins on the way to BEV



# Top-End Segment - Expand & Enhance

- 328k top-end luxury units with ASP of > € 100k and top-end profitability in 2023
- Sustainable segment growth
- Desirable products fueling growth: EQS, EQS-SUV, Mercedes-Maybach EQS-SUV, SL, AMG GT family, AMG.EA
- Ultra exclusive collectibles and luxury customer experience



# We are creating new opportunities for profitable growth at the top-end of our product and brand portfolio



**S-Class:** strengthening position as undisputed market leader



**G-Class:** evolving the adventurous luxury icon in 2024



Mercedes-Maybach EQS 680 SUV | WLTP: electricity consumption combined: 24.1-22.0 kWh/100km; CO2-emissions combined: 0 g/km

**Maybach:** redefining sophisticated luxury, e.g. rollout MM EQS SUV



**AMG:** pushing forward performance luxury with new AMG GT family

For our most demanding customers, we will offer even more individualisation and exclusive editions



Extension of individualisation program: MANUFAKTUR



Exclusive limited editions: Maybach by Virgil Abloh



Mythos: First Mythos car next year



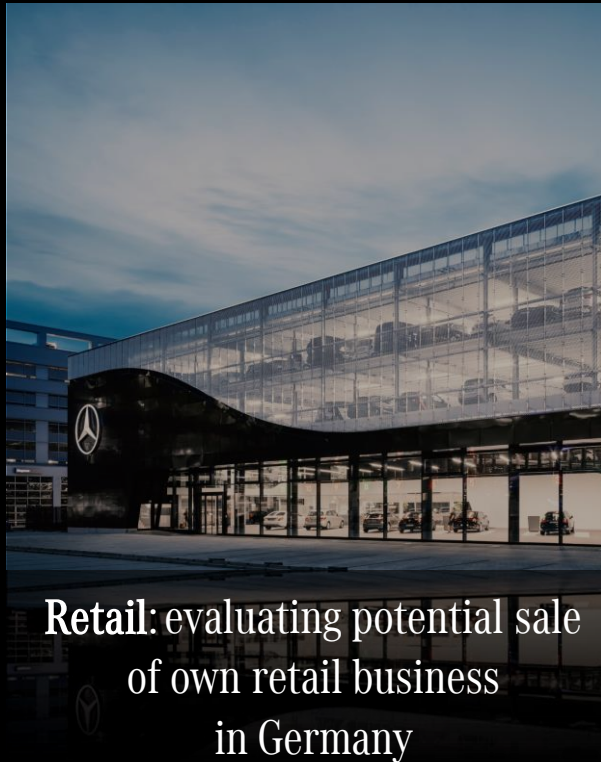
Collaborations to shape the brand: Moncler

# Changing our economic equation

- Enhance ROIC: control the denominator while raising the numerator (operating and cash margins)
- Drive growth through high utilisation, ,reverse auction' of available capacity to build the most profitable models
- 75% of capital allocation focused on top-end and core segment where the returns are most promising
- Intelligent and careful capital allocation to build EV capabilities and supply chain



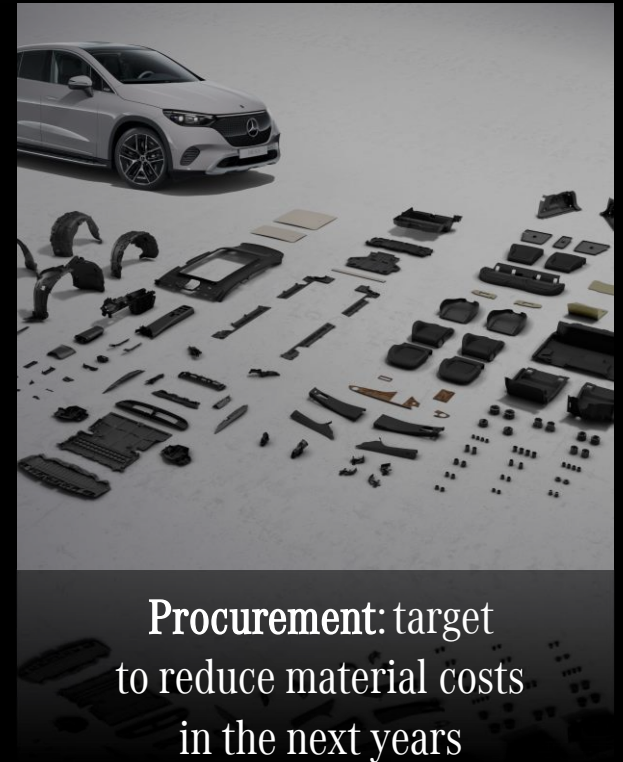
# We are continuously optimizing our footprint and our cost base



**Retail:** evaluating potential sale of own retail business in Germany



**Production:** rightsizing industrial footprint, e.g. Jawor: transformation from powertrain into van site, benefit for entire Group



**Procurement:** target to reduce material costs in the next years

# Bottom line

We cannot control macro- or world events. But we are redesigning & repositioning Mercedes-Benz to ensure a structurally more profitable company.



# The essence of our brand and our way forward



ICONIC  
LUXURY

A classic Mercedes-Benz 300 SL Roadster is shown from a front-three-quarter view. The car is a light color, possibly silver or chrome, and is set against a solid orange background.

LEADING  
TECHNOLOGY

A dark-colored Mercedes-AMG GT sports car is shown from a side profile. The car is set against a dark green background with a subtle gradient.

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# Ambition 2039 – our commitment to net carbon-neutrality\*

Supply chain



Production & logistics



SBTi

Well-to-tank



SBTi

Tank-to-wheel



SBTi


End-of-life



49.7 tCO<sub>2</sub> in 2020 - 47.8 tCO<sub>2</sub> in 2022 - reduction by at least 50% by end of decade\*\*



Sourcing more than 200,000 tonnes of CO<sub>2</sub>-reduced European steel annually



Net carbon-neutral production in company-owned production plants worldwide



1<sup>st</sup> EV charging hubs opened in North America, China and Europe




Concept CLA - putting Ambition 2039 on the road



Groundbreaking battery recycling factory Kuppenheim

\* net carbon-neutrality along the entire value chain in our fleet of new vehicles in 2039 \*\* Reduction of the CO<sub>2</sub> emissions per Mercedes-Benz car in the new vehicle fleet by at least 50% along all stages of the value chain by end of the decade vs. 2020, when market conditions allow



Mercedes-Benz Cars is taking the necessary  
steps to go  
all-electric.

Customers and market conditions  
will set the pace.

# Customers and market conditions will set the pace of the transformation

BEV:  
Strategic  
consistency

&

ICE:  
Tactical  
flexibility



up to **50%**  
xEV sales in 2<sup>nd</sup> half of decade.

Will be able to cater to different  
customer needs until well into

**2030s**

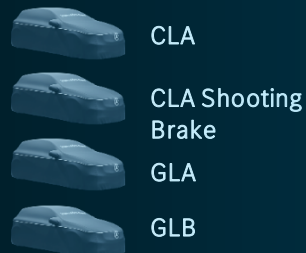
# Clear strategic direction towards all electric - Strategically focused and tactically flexible



Mercedes-Benz BEV product launches



MMA\* “Electric-First”  
platform for compact  
and mid-size

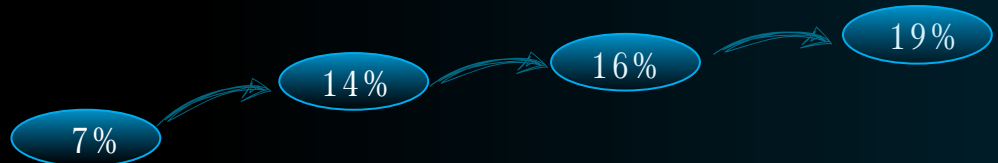


Three new electric  
architectures

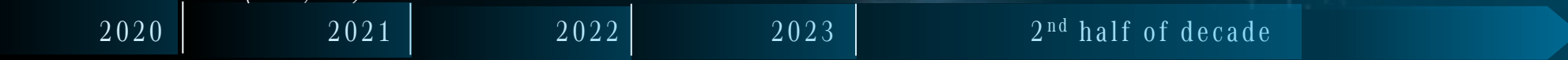


Mercedes-Benz is  
taking the necessary  
steps to go all  
electric.

Customers and  
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the transformation.



Mercedes-Benz Cars xEV (PHEV, BEV) sales share



\* MMA – Mercedes-Benz Modular Architecture; “Electric First” Skateboard, intelligent module strategy with body variants for electrified ICE

# The EQS: The first electric vehicle in our Top-End segment



Launched in 2021

WLTP ranges of up to 753 kilometres<sup>1</sup>

With its  $C_d$  figure<sup>2</sup> from as low as 0.20 the EQS is one of the world's most aerodynamic production cars.

Drive powers from 265 to 400 kW. Mercedes-AMG EQS with up to 560 kW.

Power for up to another 300 kilometres (WLTP) is recharged in just 15 minutes<sup>3</sup>

<sup>1</sup> The electricity consumption and range were determined based on Regulation 2017/1151/EU

<sup>2</sup>  $C_d$  figure 0.20: EQS 450+ with 19-inch AMG wheel/tire combination and AMG Line exterior in the SPORT drive program

<sup>3</sup> Charging speed at DC fast charging stations with 500 amps

# The EQE: The new business avant-garde



Global launch: mid-2022

Depending on the on-board equipment and configuration, WLTP operating ranges of up to 654 kilometres\*

A lithium-ion battery with 10 cell modules is installed

In 15 minutes it is possible to charge the EQE to a range of up to 250 kilometres based on WLTP\*

The battery certificate stands for the long service life of the high-voltage batteries. It is valid up to a term of ten years or up to 250,000 kilometres

\* The electricity consumption and range were determined based on Regulation 2017/1151/EU

# The EQS SUV: Redefined SUV luxury



Launch: Second half of 2022

WLTP ranges of up to 720 kilometres<sup>1</sup>

Lithium-ion battery with up to 12 cell modules

DC fast charging system with a charging capacity of up to 200 kW

In 15 minutes, power corresponding to a range of up to 250 kilometres<sup>2</sup> can be recharged on the basis of the WLTP range

The 6-phase design makes the permanently excited synchronous motor (PSM) on the rear axle particularly powerful. Its peak power is 400 kW.

<sup>1</sup> The electricity consumption and range were determined based on Regulation 2017/1151/EU

<sup>2</sup> Figures for the EQS 450+ (WLTP: electricity consumption combined: 22.4-18.8 kWh/100 km; CO2 emissions combined : 0 g/km)

# EQE SUV: High-tech and luxury meet versatility



Launch: First half of 2023

The multi-purpose variant of the EQE business saloon

WLTP ranges of up to 628 kilometres<sup>1</sup>

Lithium-ion battery of 10 cell modules

DC charging system with a charging capacity of up to 170 kW

In 15 minutes, power corresponding to a range of up to 220 kilometres<sup>2</sup> can be recharged on the basis of the WLTP range

The modular drive concept enables the EQE SUV to offer a wide range of maximum total drive outputs from 215 to 300 kW

Mercedes-AMG EQE 53 4MATIC+ SUV | WLTP | electricity consumption combined : 25.5–23 kWh/100 km; CO2 emissions combined: 0 g/km; WLTP range: 407–455 km

<sup>1</sup> The electricity consumption and range were determined based on Regulation 2017/1151/EU

<sup>2</sup> At DC fast charging stations with 500 amps based on WLTP range

# Mercedes-Maybach EQS SUV: The brand's first all-electric model



Premiere: April 2023

Redefining automotive excellence in the age of electro mobility

Maximum luxury and comfort with a cocooning effect in the rear

Extraordinary driving experience with Maybach driving programme and maximum noise comfort

Range of up to 600 kilometres<sup>1</sup>

DC charging system with a charging capacity of up to 200 kW

In 15 minutes, power corresponding to a range of up to 220 kilometres<sup>2</sup> can be recharged on the basis of the WLTP range

Mercedes-Maybach EQS 680 SUV | WLTP: electricity consumption combined: 24.1-22.0 kWh/100km; CO2-emissions combined: 0 g/km

<sup>1</sup> The electricity consumption and range were determined based on Regulation 2017/1151/EU

<sup>2</sup> At DC fast charging stations with 500 amps based on WLTP range

# Efficiency is the new currency – learnings and technology transfer

## Focus on Efficiency

### EQS 450+

422 miles (679 km)  
Edmunds' real-world EV range\*

### VISION EQXX

1,202 km on a single battery charge under  
real-world conditions



**<10 kWh/100 km**  
Electric equivalent of a 1-litre car



**> 95%** drive train efficiency

## Transfer of Technology

### Concept CLA / MMA

> 750 km\*\* class leading range, 800 V system,  
250 kW DC charging, 400 km range by 15 min  
charging



**~12 kWh/100 km**  
the new 1-litre car



**> 93%** drive train  
efficiency



\*<https://www.edmunds.com/car-news/tested-2022-mercedes-benz-eqs-beats-epa-range-by-72-miles.html>  
\*\* WLTP; In real driving conditions, deviations from the certified standard values may occur. The real values are influenced by a variety of individual factors, e.g. individual driving style, environmental and route conditions

With MMA we will redefine what customers can expect at the entry point into the world of Mercedes-Benz

>750 km range (WLTP)

~12 kWh / 100 km consumption

150 kW to >400 kW output

Up to 93% drive train efficiency

Up to 400 km charge in 15 min

Up to 300 kW charging power incl. boost

Bidirectional charging



# We are taking the necessary steps to go all-electric



MB.EA



AMG.EA



VAN.EA

# Together with our partners, we will expand our activities in battery cells and systems

Local-for-local strategy with partners and new cell factories around the world

## Envision AESC

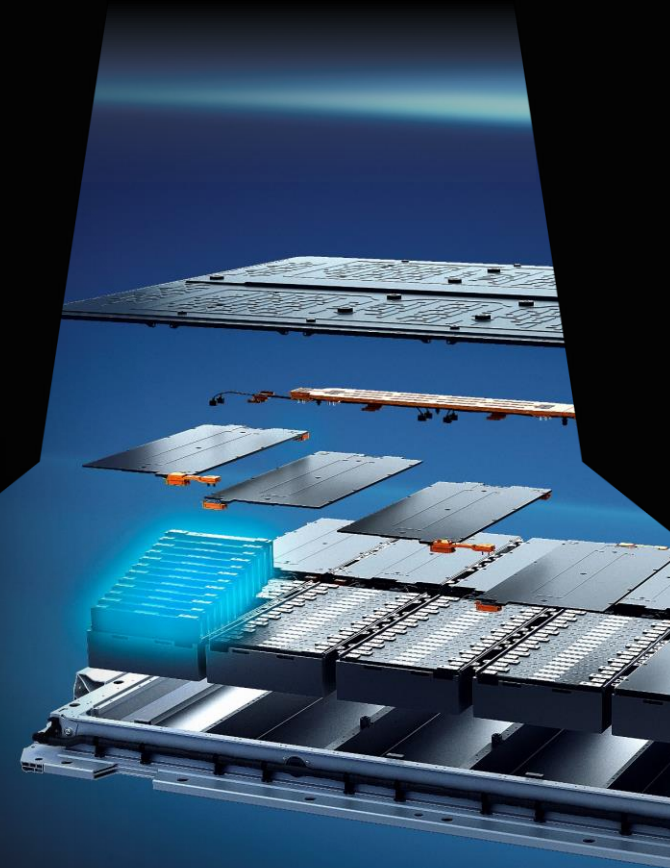
- Cell production in Bowling Green, USA
- Cell production in Caceres, Spain

## CATL

- New plant in Debrecen, Hungary

## ACC building 3 plants in Europe

- Douvrin, France
- Kaiserslautern, Germany
- Termoli, Italy



# By joining ACC, we build a European battery champion

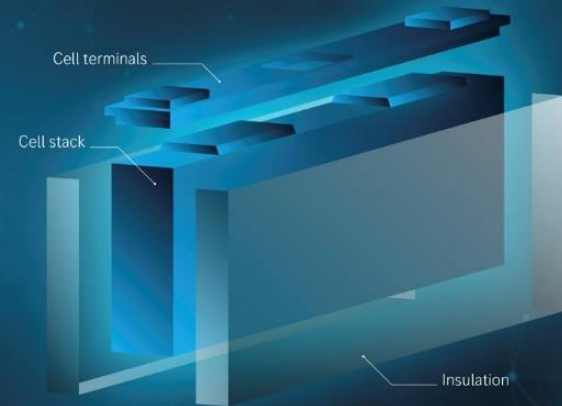
We have a 30% stake in [Automotive Cells Company \(ACC\)](#).

Our goal: [Joint development and production of cells and modules in Europe](#).

[ACC](#) will reach a capacity of [at least 120 Gigawatt hours](#) in Europe by the end of the decade.

[ACC](#) will [supply](#) Mercedes-Benz with [high-performance battery technologies](#) from its production locations from mid of the decade.

Mercedes-Benz to join ACC and build a European battery champion with global ambitions



# Developing the next generation battery cell technology

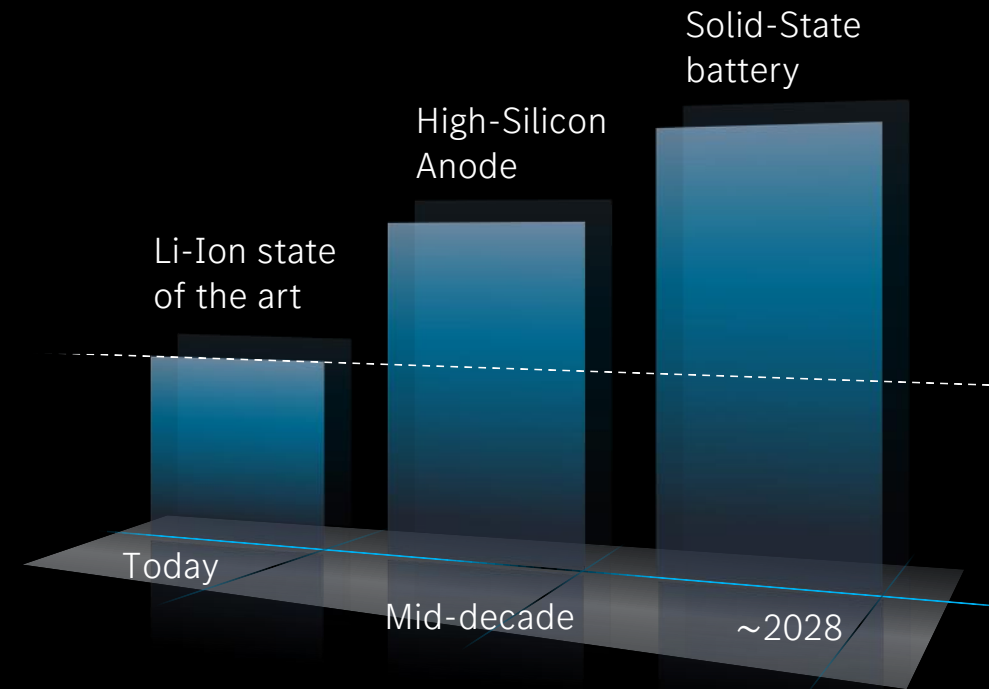
**High-Silicon Anode:** increasing energy density by using silicon-carbon composite in the anode

**Solid-State:** pushing energy density beyond limits of conventional lithium-ion cell, doubling energy capacity and reducing weight in same packaging space, enduring more charging cycles over lifetime

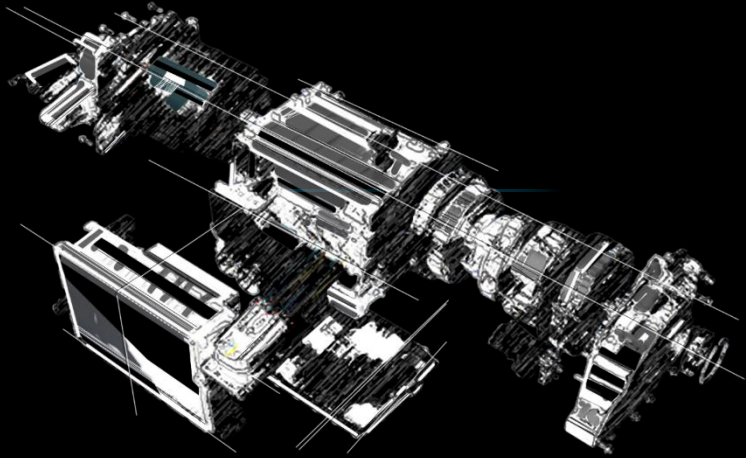
**Several cooperations** with existing and new partners like Sila, Prologium and Factorial to accelerate development of both technologies

Continuously integrating most advanced cell technology in our production cars, **increasing range during lifecycle**

Expected energy density



# In-house electric drive units are a key part of our strategy



**eATS 2.0:** In-house developed and built electric drive unit with radial motor: Outstanding performance for majority of key products.

**Ultra-high performance axial flux motors** for our forthcoming AMG's. Axial flux technology allows for unmatched power density, performance, acceleration.

Electric motor and power electronics company **YASA Ltd.** is a **fully owned subsidiary of Mercedes-Benz**. The acquisition takes our electric drive tech to a new level.



# We are addressing the battery cost challenge



>30%

possible €/kWh battery cost reduction in coming years -  
while improving efficiency & charging time

- ▶ Optimised cell and module design
- ▶ Improved vehicle integration
- ▶ Further development of NMC and next gen LFP
- ▶ Cell updates during lifecycle
- ▶ Continuous improvement agreements with suppliers

# CAPEX and R&D expenditures reduction focus

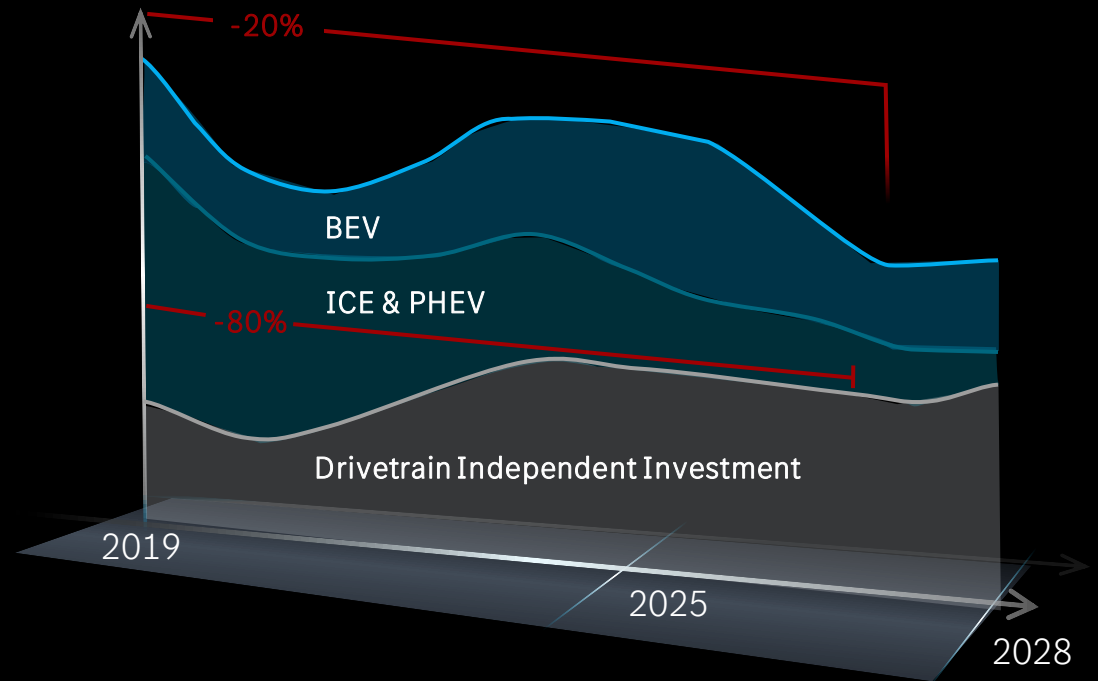
Additional investments for new BEV architecture MB.EA, AMG.EA and intensified battery footprint

Reduced non-BEV investments

Capex Share of investments decreasing

>-20% CAPEX and R&D expenditures reduction until second half of decade

-80% non-BEV investments reduction until second half of decade. End of 2022 we had already achieved half of it.



schematic graph

# Radical shift in capital allocation

## Key levers

Additional investments for new BEV architecture MB.EA, AMG.EA, VAN.EA and intensified battery footprint

---

Radically reduced non-BEV investments

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Capex share of investments decreasing

---

>20% investment reduction by second half of decade and further decreases afterwards



# Fixed cost reduction targets stepped up

## Key levers

Covid 2020: significant fixed cost reduction

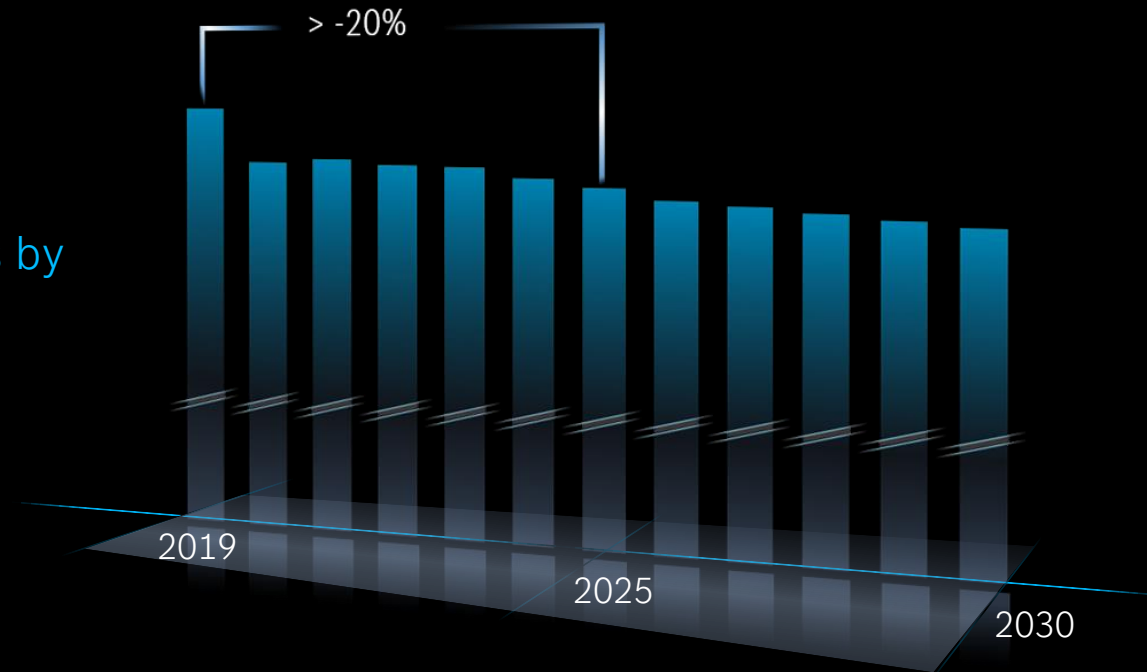
2021: temporary effects replaced by permanent measures

-20% fixed costs by 2025 and -20% investments by second half of decade

2025ff: digitization of all business areas

After 2025 further net reductions

## Fixed cost development\*



# We want to ease the life of our customers with fast, convenient, and reliable charging solutions



## Global Joint Ventures

EU: >3,300 HPC plugs built

China: >7,000\* HPC plugs by 2026

North America: >30,000\* HPC plugs  
by end of decade

\* Figures are target values



## MB branded HPC network

>10,000\* HPC plugs across  
our key markets by  
end of decade



## Adding more options

Access to superchargers in North  
America from 2024 onwards.  
Integration of NACS starting 2025

# Our sustainable business strategy “Ambition 2039” goes far beyond our products



**Production:** aim to cut CO<sub>2</sub> emissions by 2030 at own plants by 80%\*

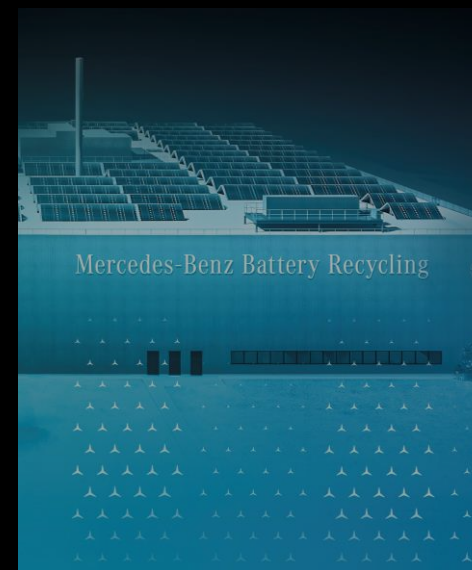
\* Compared to 2018; Scope 1 and 2



**Sourcing:** ~60% of critical raw material assessment process finalised



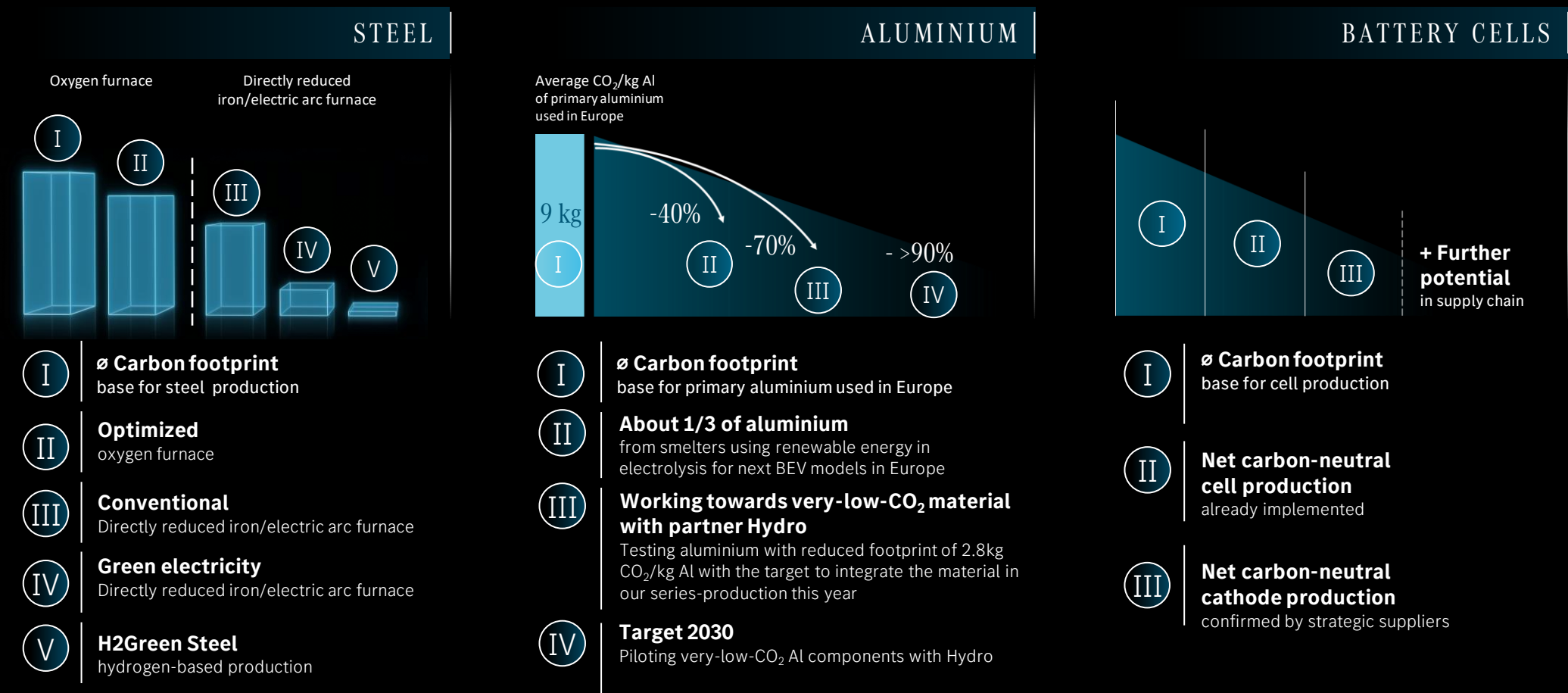
**Retail:** aim for net-carbon neutrality by 2030 across sales & aftersales locations



Mercedes-Benz Battery Recycling

**Closing the loop:** building battery recycling factory with recycling rate of >96%

# Creating sustainable supply chains for focus materials via technology changes



# All of our own Mercedes-Benz plants world-wide are producing 100% net carbon-neutral

Together with our EV strategy, net carbon-neutral production is a key driver of [Ambition 2039](#)

Since the [beginning of 2022](#), production sites worldwide fully owned by Mercedes-Benz have been [net carbon-neutral](#)

We plan to cover [70 % of our energy needs through renewable sources](#)<sup>1</sup> and will also produce energy on site

Mercedes-Benz global production network



<sup>1</sup> by 2030

# Our Factory 56 serves as a blueprint for our global Mercedes-Benz production network

At our Factory 56 in Sindelfingen  
producing more sustainable is  
already reality

The innovative energy concept  
includes a photovoltaic system,  
a DC power grid and energy storage  
based on reused vehicle batteries

Self-generated, green electric power  
is sufficient to cover about 30% of  
the factory's annual power  
requirements

A new dimension in  
sustainable production



Greening of 40% of  
the roof area



Photovoltaic system with 12,000 modules  
generating around 5,000 KWp and thus  
30% of the factory's electricity requirement



Innovative  
DC grid



Energy storage from car  
batteries with a total capacity  
of 1,400 kWh



Use of recycled  
concrete in the frontal  
building of Factory 56



25% reduction in  
energy demand

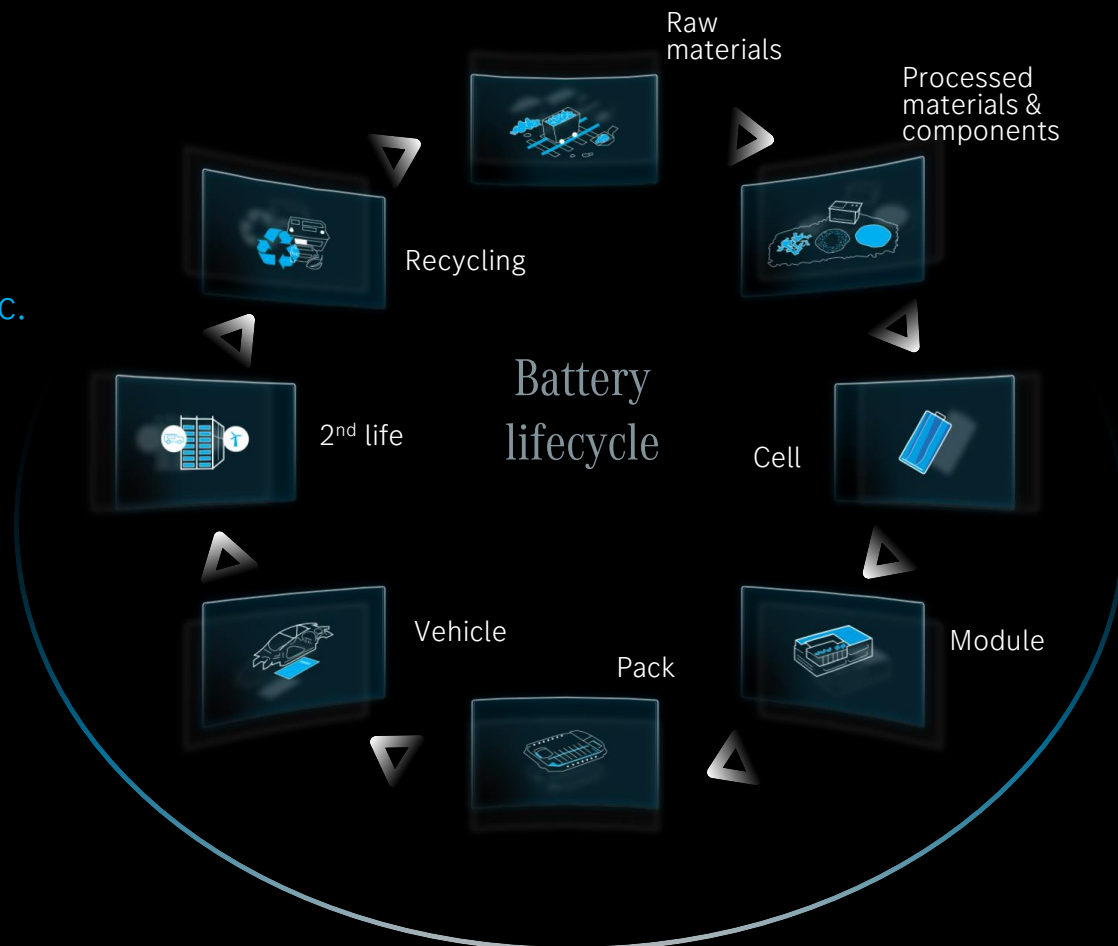
# We are establishing a net carbon-neutral supply chain

In the future, raw materials for battery components only from [IRMA-certified mines](#)

[Cooperation](#) with strategic partners, e. g. for lithium hydroxide with [German-Canadian Rock Tech Lithium Inc.](#)

[Direct sourcing](#) of battery raw materials like nickel and cobalt under consideration

First [closed battery loop at industrial scale](#) set-up in [China](#) with leading partners



# Maximizing the recycling quota of automotive batteries and closing the loop with our net carbon-neutral battery recycling factory in Kuppenheim

Ramp-up mechanical dismantling in 2024



Recycling of more than

2,500

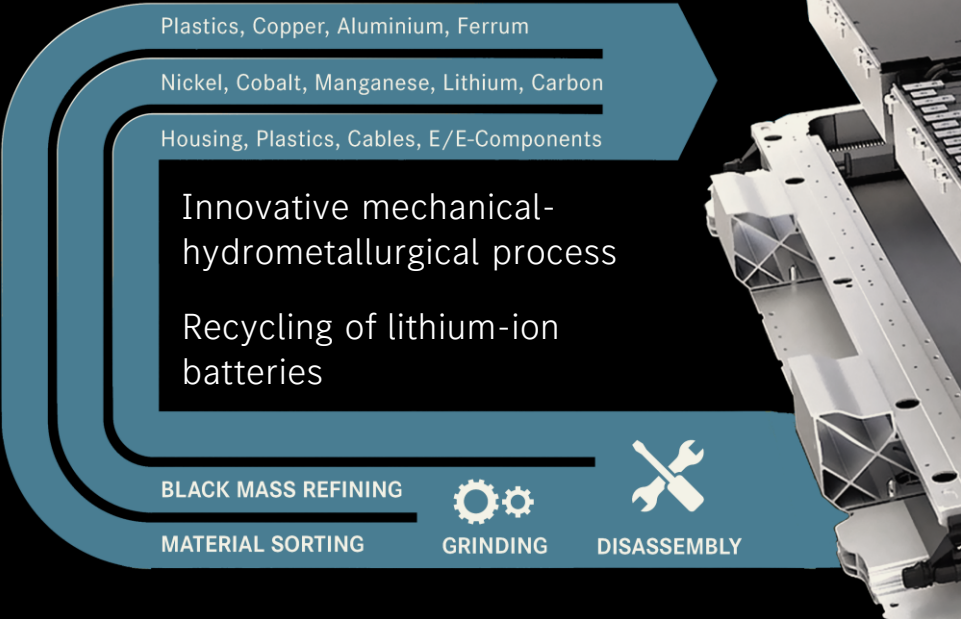
tonnes of battery modules

Recovered materials to produce more than

50,000

battery modules

>96% recovery rate



# Our people plan focuses on a just transition for our employees



3,000  
positions filled with  
software engineers  
worldwide

Individual target plans  
for our entities, plants  
and functions

Realignment of our global  
production network towards  
electric vehicles and  
digitalisation



Turn2Learn >2 bn  
investment in Turn2Learn  
qualification initiative  
worldwide 2022-2030

92,000  
employees in  
Germany qualified in  
e-mobility since 2020

~ 140.000  
participations in training  
courses related to  
digitalization in 2023



30%  
Modern, flexible and  
diverse working  
environment

30%  
share of women in  
senior management  
positions by 2030

Competitive salary  
Profit-sharing bonus for  
tariff-scale employees  
Employee shares

# AGENDA

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1.1 Luxury

1.2 Electrification

**1.3 Automated Driving & Operating System**

2. Mercedes-Benz Vans

3. Mercedes-Benz Mobility

# Mercedes-Benz continues to pioneer advancements in automated driving



**Launching Automatic Lane Change**  
Function introduced in U.S. and  
China, Europe to follow soon



**Advancing DRIVE PILOT (L3)**  
Aim to extend speed to ~90 km/h  
in Germany by end of 2024,  
plans to go beyond



**Cooperating with NVIDIA**  
Joint development of future  
automated driving systems,  
rollout with MMA

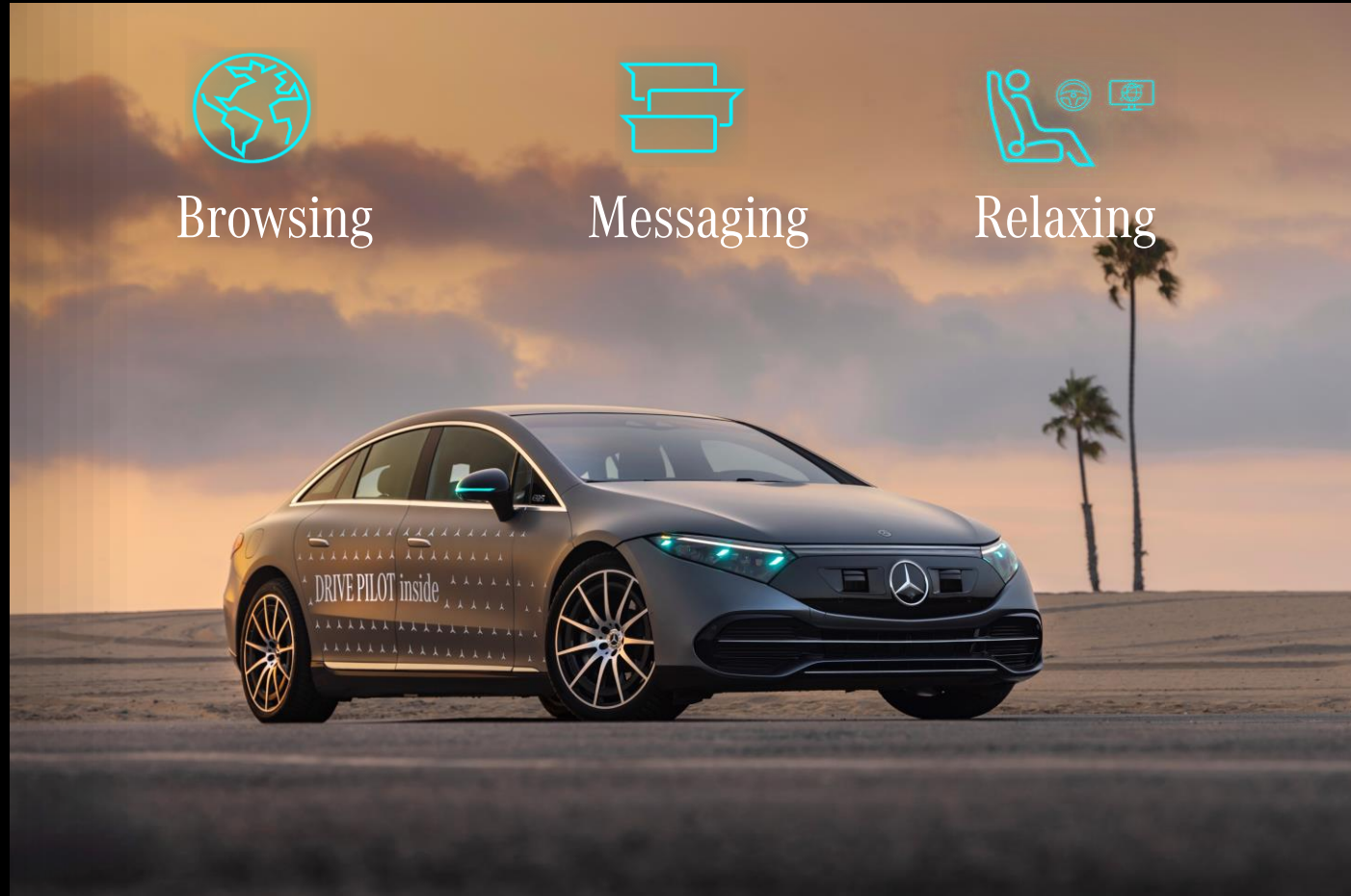
# Conditionally automated driving SAE-Level 3: DRIVE PILOT gives back time to customers

Mercedes-Benz is the **first car company in the world** to meet the UN-R157 regulation for **conditionally automated driving**.

Orders for DRIVE PILOT for the S-Class and EQS started on May 17, 2022, in Germany.

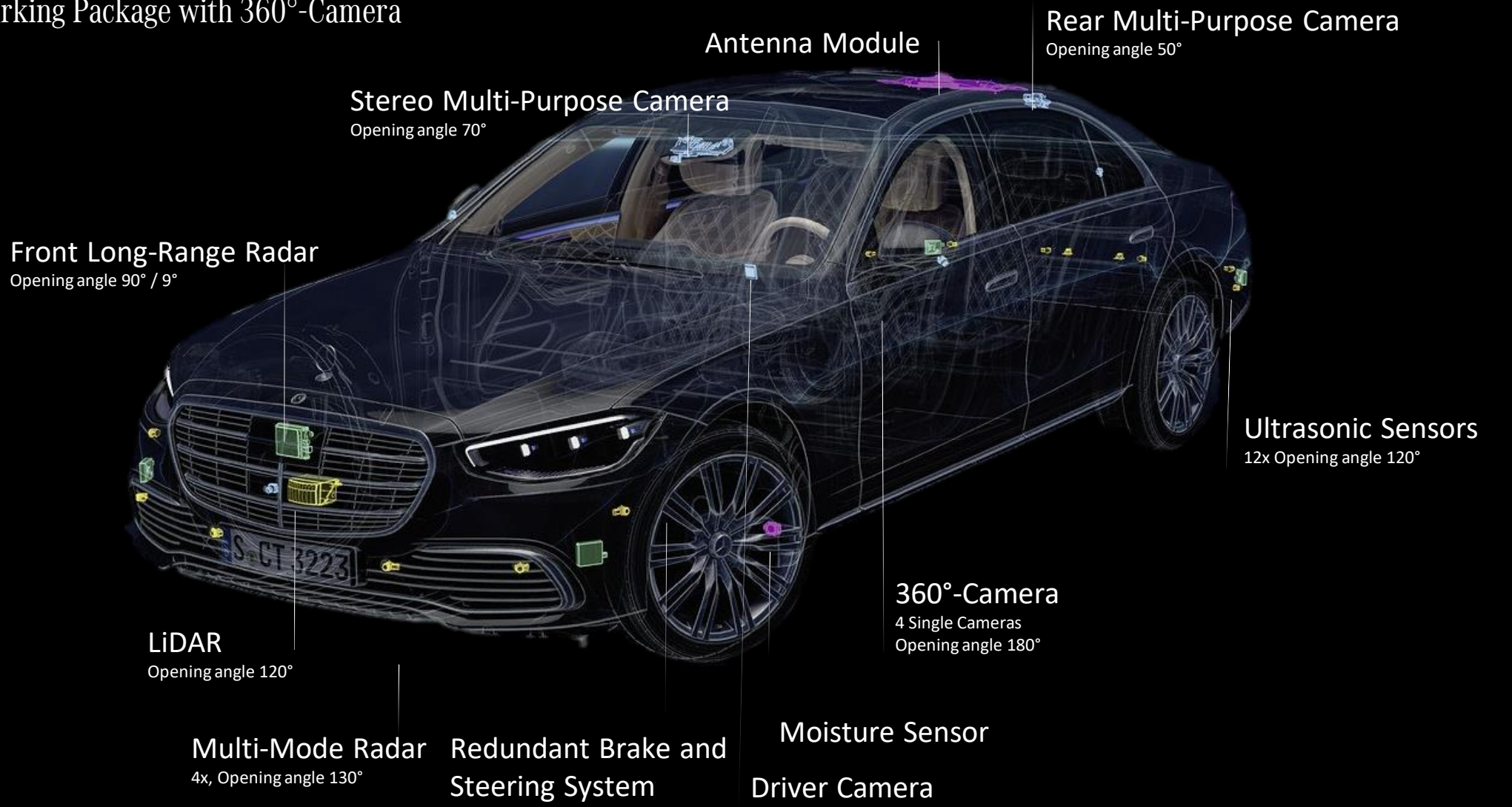
The production-ready version of DRIVE PILOT had its on-road debut in California and Nevada in late 2023 with a limited fleet of DRIVE PILOT equipped EQS Sedans.

Mercedes-Benz plans for further customer deliveries of DRIVE PILOT equipped MY2024 EQS Sedan and S-Class models in early 2024 through participating authorized Mercedes-Benz dealers in California and Nevada



# Driving Assistance Package with DRIVE PILOT

Parking Package with 360°-Camera



# We are creating an exceptional digital experience



## Own operating system MB.OS

Launch in 2025 with MMA

## Chip-to-cloud architecture

High-end computers give full access to hard- & software

## Next level infotainment

Human-like interaction with generative AI,  
expansion of digital offering, advanced graphics

The fundamental building principles of our own operating system

# We are the architects

SPECIFY

DESIGN

DEVELOP

PROCURE/  
PARTNER

INTEGRATE

UPGRADE

# The fundamental building principles

1. Purpose-built and open to partners



2. Personalized services through one unique Mercedes Me ID



3. Privacy-by-design from the very beginning



4. Full overt-the-air updatability and decoupled software and hardware releases



# All central to our own Mercedes-Benz Operating System MB.OS

Proprietary  
operating system

Four domains:  
Infotainment, Automated Driving,  
Body & Comfort, Driving & Charging

Service-oriented  
chip-to-cloud architecture

Delighting our customers with an extraordinary experience

The most desirable  
**HARDWARE CANVAS**



... for the most desirable  
**SOFTWARE CONTENT**

# It's about the operating system of our entire business



We're connecting the elements  
to build an **integrated network**

# Beneficial partnership with NVIDIA for MB.DRIVE

## Shared Effort

NVIDIA:  
AD base software  
Software updates  
SoC integration

Mercedes-Benz:  
Vehicles integration  
Application development  
Variable costs



+



## Joint Benefit

Common use of data,  
IP rights  
and codes

Faster development times

Optimized product costs

Shared proceeds

# Advancing next-generation Level 2 automated driving

## Leveraging machine learning

Best-in-class LiDAR

New dimension of processing power

AI-powered and data-driven

System designed for urban use cases

Point-to-point assisted driving based on navigation

Substantially increased availability and ODD

Starting with MMA for entry segment



# Accelerating next-gen Level 3 automated driving with 2x computing power

## Giving customers back even more time

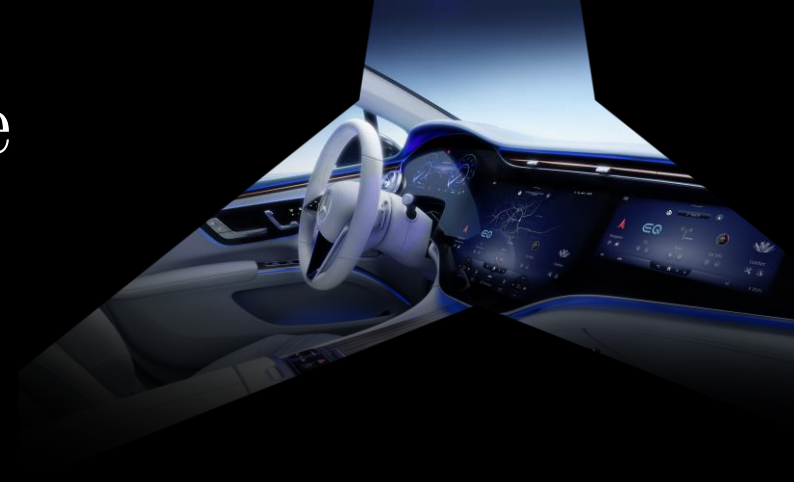
**Up to 130 km/h**  
in its final stage

Automatic Lane Change (ALC) and  
highway-to-highway transfer

Worldwide rollout to  
additional markets



# We are bundling the best functionalities into one MB.CONNECT package



The **MB.CONNECT** package will bundle a wide range of services **into one**

**High flexibility:** Available for a fixed-term three-year contract with vehicle purchase or via subscription

From 2025 onwards, **80% customer retention** expected (for vehicles in the one-to-six-year age)

A strong digital customer base as a springboard for  
future growth



# TODAY

Mercedes me is live in **50** markets

**> 10 million** connected cars worldwide

# 2025

Mercedes me is planned to be live in **65** markets

... and targeting expansion to more than **16 million** connected cars

# MB.CHARGE – we offer fixed prices and priority access to our charging network



Transparent, **fixed-price charging rates**

---

**Priority access** for customers to the Mercedes-Benz HPC network

---

**> 80% customer retention** expected from 2025 onwards (for vehicles in the one-to-six-year age)

# MB.DRIVE – our expanded and new offerings for assisted and automated driving



Starting with MMA we aim to equip all new models with hardware for **enhanced assisted driving**

Ability to upgrade to a **higher degree of assistance** foreseen across whole lifecycle

**Conditionally automated driving functionalities** can be ordered from the factory

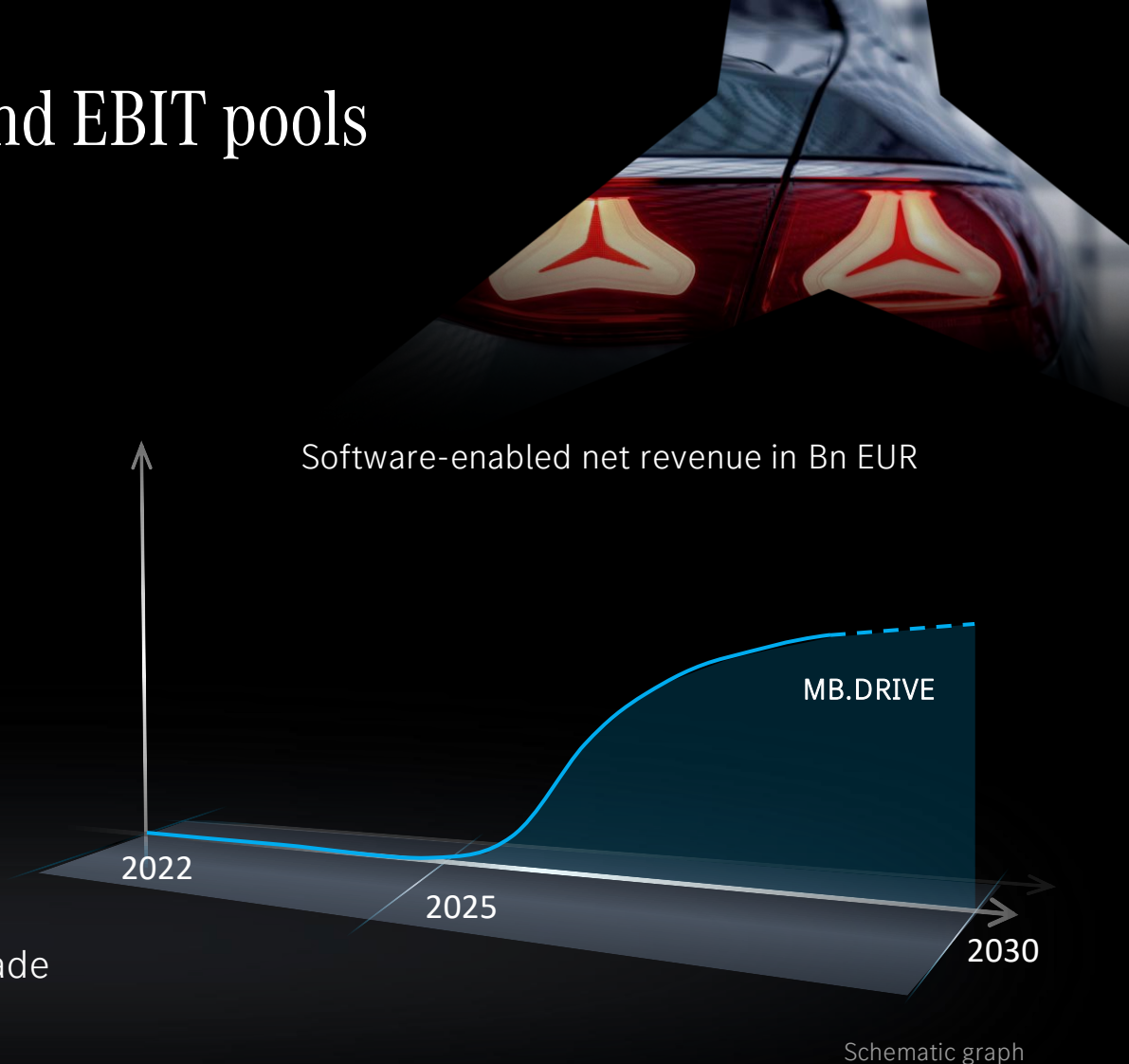
# MB.DRIVE unlocks new revenue and EBIT pools



Features available as factory and store sales

Low single-digit Bn EUR revenue by mid of the decade

Mid single-digit Bn EUR revenue by end of the decade



# Total software-enabled revenue development



Low-to-mid single-digit Bn EUR revenue by mid of the decade

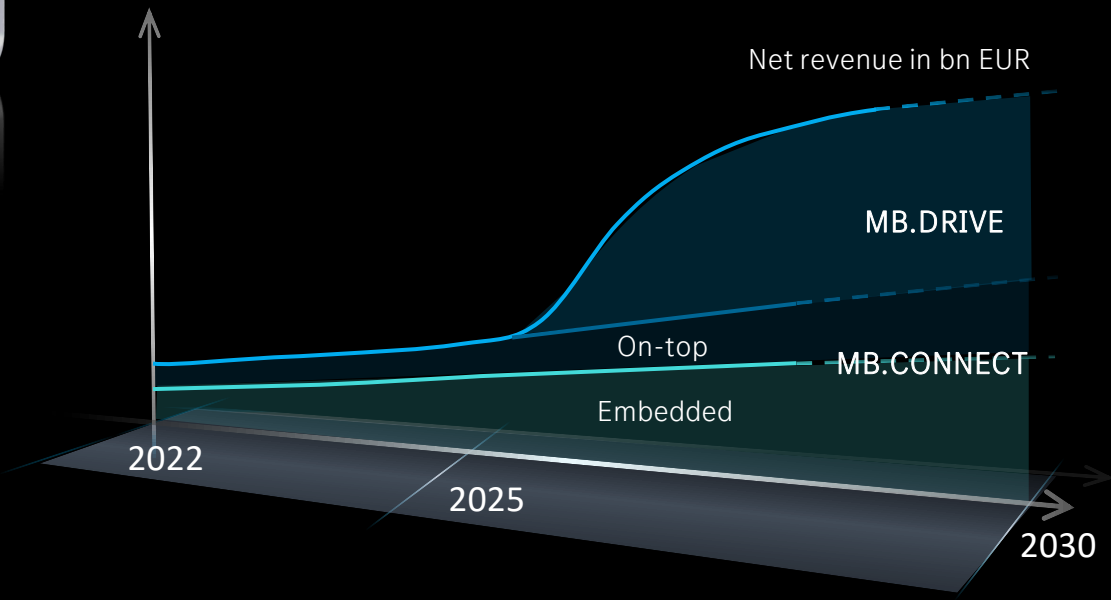
High single-digit Bn EUR revenue by end of the decade

1 Bn EUR EBIT on track by mid of the decade

All figures part of existing weather chart



## Software-enabled revenue



# MB.OS software and corresponding hardware investment are part of existing financial target landscape

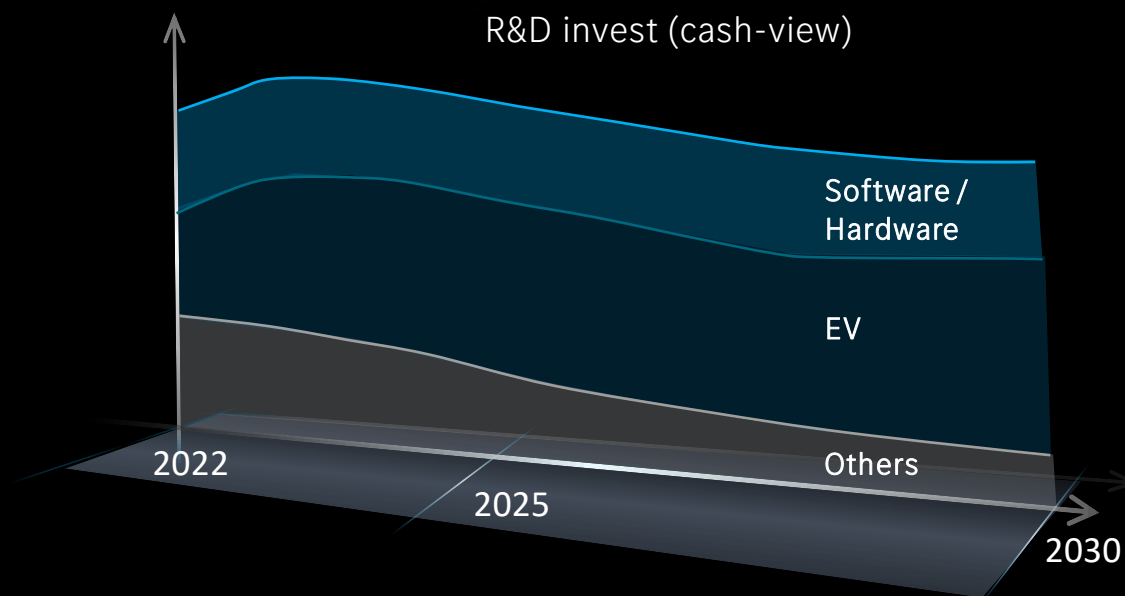


Increased share of R&D invest in EV and MB.OS software & hardware

Run-rate of 1-2 Bn EUR p.a. for MB.OS software & hardware

Run-rate of 1-2 Bn EUR p.a. for MB.OS software & hardware

Midterm invest reduction targets remain



Schematic graph

# We are the architects

Our promise:	The world's most desirable cars
Our opportunity:	Outstanding products & improved enterprise productivity
Our conviction:	Software a core competence
Our realism:	Technology partnerships essential
Our Vision:	Future proofing our valuable real estate
Our Focus:	Delivering MB.OS for the launch of MMA

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1.2 Electrification

1.3 Automated Driving & Operating System

2. **Mercedes-Benz Vans**

3. Mercedes-Benz Mobility

# Mercedes-Benz Vans Strategy

WE OFFER THE WORLD'S MOST DESIRABLE VANS AND SERVICES

## TARGET

premium segments and  
focus on profitable  
growth

## EMBRACE

customers and  
grow lifetime  
revenues

## LEAD

in electric  
drive and digital  
experience

## LOWER

total cost base and  
improve industrial  
footprint

Guided by economic, environmental and social [sustainability](#)

Accelerated by [digitalisation](#) and data-driven business

Driven by a highly qualified and motivated [team](#)

# The Van business is commercially attractive

## MARKETS

Strong and growing

Development LCV-market  
+25% expected in core markets,  
from 2022 through to 2030\*

## PLAYERS

Stable and concentrated

Top-3 players in Europe  
dominate approx. 70%  
of the market

## CUSTOMERS

Knowledgeable and loyal

Mostly B2B customers

## PRODUCTS

Periodically lower capital  
intensity and long lifecycles

Fewer architectures, lifecycles  
of > 10 years, focus on re-use

A HISTORICALLY PROFITABLE SEGMENT FOR THE  
INDUSTRY

\* Core Markets: Europe, U.S., China; Source: IHS



# Our products keep the world running



Private Usage



Services & Crafts



Rental



Deployment & Municipal



Recreational Vehicles



Manufacturing

Private 20%\*

Commercial 80%



CEP & Logistics



Trade & eGrocery



Construction



People Mover

Ordered according to sales volume of Mercedes Benz Vans in Germany 2021

# Mercedes-Benz Vans enjoys a unique position

**STRENGTHS TODAY**

- Exceptional top-end product identity
- Best mix, strongest pricing, highest residuals
- Favourable channel mix
- Balanced market coverage
- Highest buyer loyalty
- Strong synergies with Mercedes-Benz Cars

**OPPORTUNITIES AHEAD**

- Lead the industry to all-electric future
- Grow top-end positioning even further
- Expand profitable growth in U.S. and China
- Address manufacturing footprint
- Lower cost structure

# Net carbon-neutral fleet of new vans

2022

Net carbon-neutral  
**production** at our own  
plants worldwide

2030

> 50% BEV share\*

2039

Net carbon-neutral  
fleet of new vans over  
the **entire life cycle**



SUPPLY CHAIN &  
RAW MATERIALS



PRODUCTION &  
LOGISTICS



WELL-TO-TANK



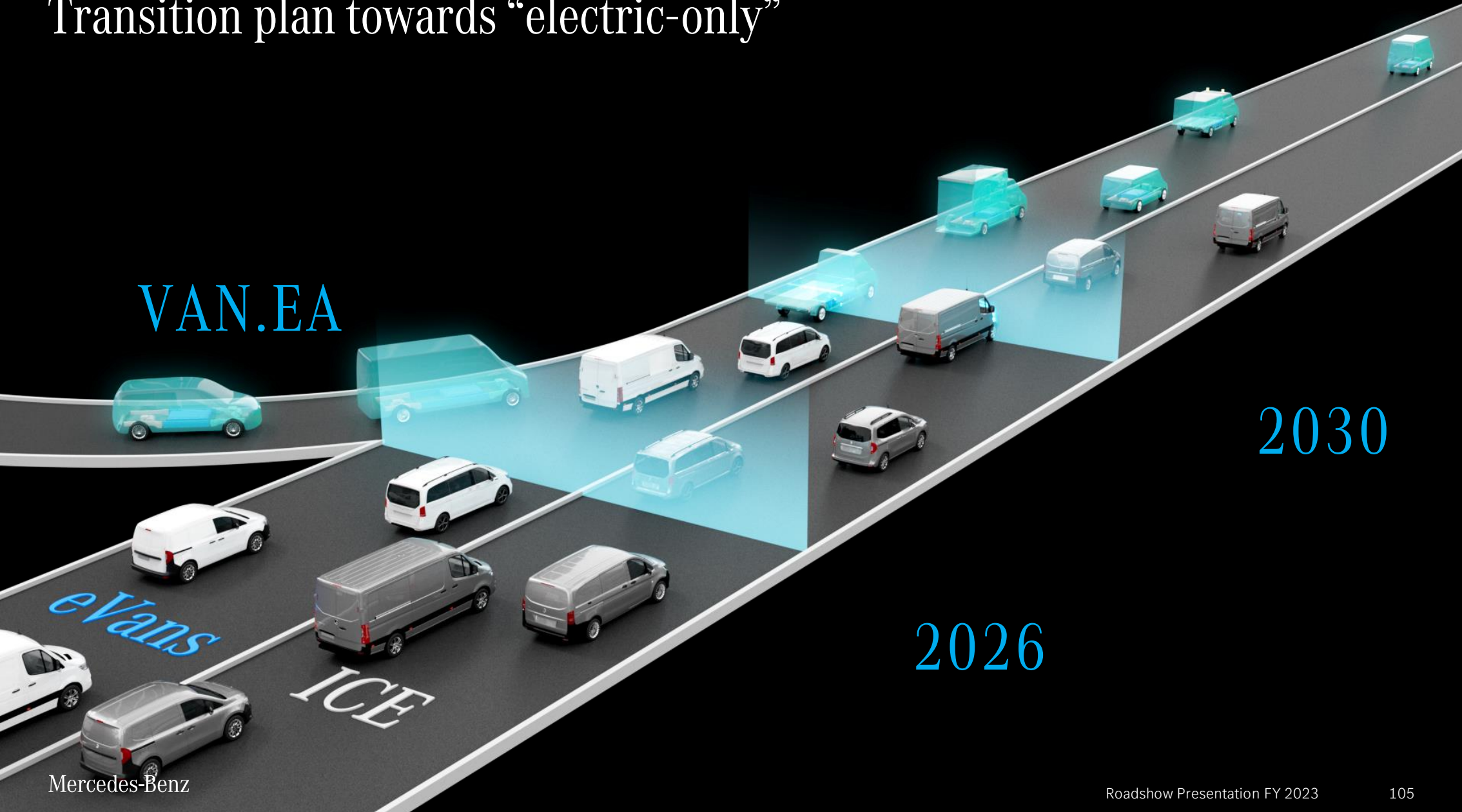
TANK-TO-WHEEL



END OF LIFE

\* Wherever market conditions allow, target

# Transition plan towards “electric-only”



# Electrification roadmap

2010

Introduction  
of first electric Vito

2023

Electrification of every Van  
segment & presentation of  
new eSprinter

2026

Launch of  
all-new, electric-only  
architecture VAN.EA

2030

> 50% share of battery  
electric vehicles\*



\* Wherever market conditions allow, target

# Raising our ambitions level: tackling costs at all levels



## COMPANY

FIXED COSTS

-20%\*



## OPERATIONS

HOURS PER VEHICLE (HPV)

-25%\*



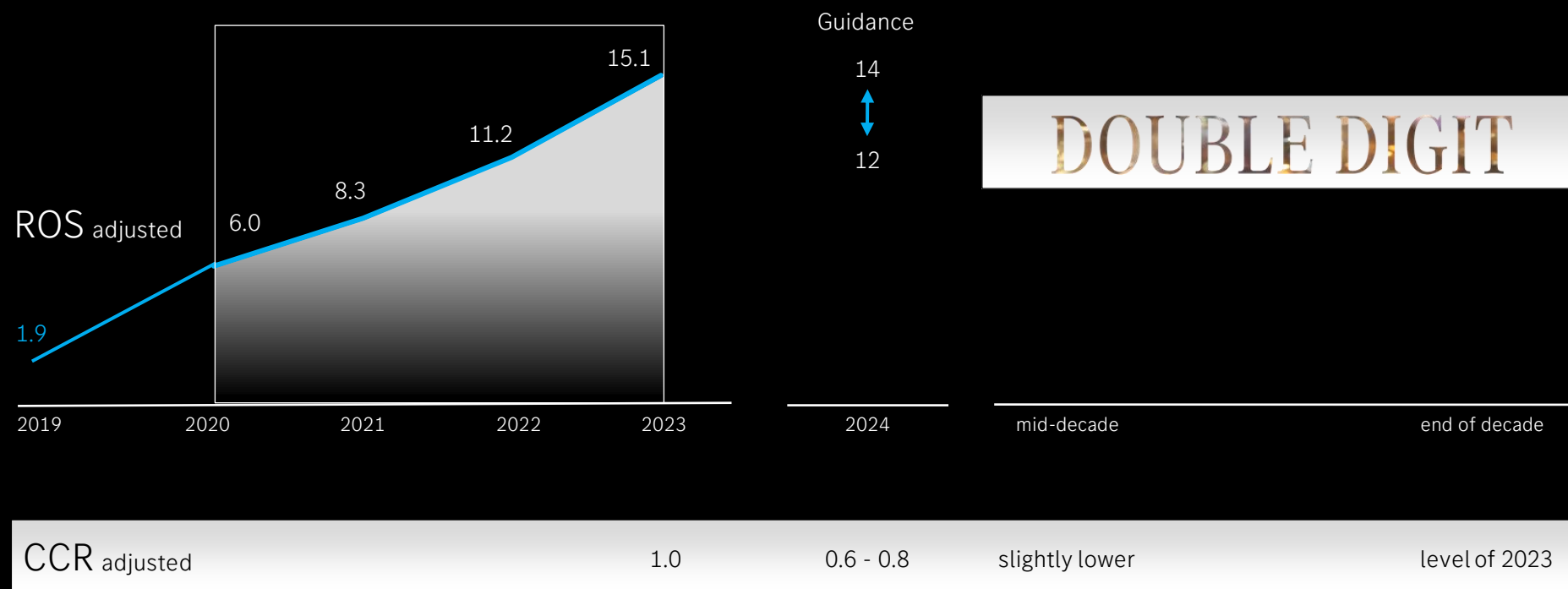
## PRODUCTS

PORTFOLIO VARIANTS

-30%\*

\* By mid-decade vs. 2019

# Our financial ambitions for Mercedes-Benz Vans



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3. **Mercedes-Benz Mobility**

# Mercedes-Benz Mobility Strategy

WE MOVE YOU INTO A NEW ERA!

Electrify Our  
Future

Sustainability  
Electrification & Charging  
Service Income

Excite Our  
Customers

Seamlessly  
integrated customer  
experience

Power Up Our  
Business

End-to-end automation  
& digitization

Go For Data

Data-driven company

Imagine It, Do It, Live It!

Transformation & High-performance culture

# Mercedes-Benz Mobility Role & Contribution

As an integral part of Mercedes-Benz, we secure the company's position as a global leader by leveraging customer data and insights generated through our numerous touchpoints with our clients. We retain them in the Mercedes-Benz ecosystem and offer services that are in great demand to create additional income and to drive recurring revenues.

# Mercedes-Benz Mobility Product Range

As integral part of the Mercedes-Benz  
customer journey

**Financing | Leasing | Insurance | Fleet Management |  
Rental & Subscription | Charging Ecosystem | Payment Services**

# Appendix



# BBAC (Beijing Benz Automotive Cooperation) Joint Venture

## Key Facts

- BBAC is based on a trustful partnership with our long-term partner BAIC
- BBAC is the largest Mercedes-Benz production facility in the world with local R&D for passenger cars.
- Product ranges from Compact, Midsize, and Large-mid Segment (E-Class) as well as PHEVs and fully electric vehicles such as EQA, EQB and EQE. Local production of EQE SUV started in 2023.
- Engines as well as batteries are also produced locally
- The production is strongly integrated in the worldwide Mercedes-Benz network with a highly flexible production set up and shift models throughout the locations BBAC-Yishuang (BDA) and BBAC-Shunyi.
- BBAC-Shunyi is the new local production facility as of 2018 and part of the jointly invested expansion program of above 11.9 Bn RMB.
- Both partner (BAIC and Mercedes-Benz) sharing the investments for new products.
- CEO and CFO are appointed by Mercedes-Benz.
- MB contribution by locally produced cars are generated via (i) supplies, (ii) royalties, and (iii) at equity results (see right chart).

## BBAC Figures disclosed by MBG

In EUR millions

	2020	2021	2022
Sales Volume (in thousand units)	611	561	592
Revenue	21,774	21,288	24,820
Profit from continuing operations after taxes	2,900	3,205	3,649
BBAC Equity Result MB	1,335	1,553	1,711
BBAC Dividend MB	1,718	1,523	1,431

# Mercedes-Benz Group/Divisional Guidance Ranges\*

<i>Specification/ KPI</i>	Significantly below	Slightly below	At prior-year level	Slightly above	Significantly above
Revenue/ Unit Sales	$X < -7.5\%$	$-7.5\% \leq X < -2\%$	$-2\% \leq X \leq +2\%$	$+2\% < X \leq +7.5\%$	$X > +7.5\%$
EBIT (Group)	$X < -15\%$	$-15\% \leq X < -5\%$	$-5\% \leq X \leq +5\%$	$+5\% < X \leq +15\%$	$X > +15\%$
FCF IB	$X < -25\%$	$-25\% \leq X < -10\%$	$-10\% \leq X \leq +10\%$	$+10\% < X \leq +25\%$	$X > +25\%$
Investments/ R&D	$X < -10\%$	$-10\% \leq X < -2.5\%$	$-2.5\% \leq X \leq +2.5\%$	$+2.5\% < X \leq 10\%$	$X > +10\%$
CO2 emission**	$X < -5\%$	$-5\% \leq X < -2.5\%$	$-2.5\% \leq X \leq +2.5\%$	$+2.5\% < X \leq +5\%$	$X > +5\%$

\* X = Actual Guidance Figure  
 \*\* Europe (European Union, Norway, Island). Only relevant up to 2023.



# Disclaimer

This document contains forward-looking statements that reflect our current views about future events. The words “anticipate”, “assume”, “believe”, “estimate”, “expect”, “intend”, “may”, “can”, “could”, “plan”, “project”, “should” and similar expressions are used to identify forward-looking statements. These statements are subject to many risks and uncertainties, including an adverse development of global economic conditions, in particular a negative change in market conditions in our most important markets; a deterioration of our refinancing possibilities on the credit and financial markets; events of force majeure including natural disasters, pandemics, acts of terrorism, political unrest, armed conflicts, industrial accidents and their effects on our sales, purchasing, production or financial services activities; changes in currency exchange rates, customs and foreign trade provisions; changes in laws, regulations and government policies (or changes in their interpretation), particularly those relating to vehicle emissions, fuel economy and safety or to ESG reporting (environmental, social or governance topics); price increases for fuel, raw materials or energy; disruption of production due to shortages of materials or energy, labour strikes or supplier insolvencies; a shift in consumer preferences towards smaller, lower-margin vehicles; a limited demand for all-electric vehicles; a possible lack of acceptance of our products or services which limits our ability to achieve prices and adequately utilize our production capacities; a decline in resale prices of used vehicles; the effective implementation of cost-reduction and efficiency-optimization measures; the business outlook for companies in which we hold a significant equity interest; the successful implementation of strategic cooperations and joint ventures; the resolution of pending governmental investigations or of investigations requested by governments and the outcome of pending or threatened future legal proceedings; and other risks and uncertainties, some of which are described under the heading “Risk and Opportunity Report” in this Annual Report. If any of these risks and uncertainties materializes or if the assumptions underlying any of our forward-looking statements prove to be incorrect, the actual results may be materially different from those we express or imply by such statements. We do not intend or assume any obligation to update these forward-looking statements since they are based solely on the circumstances at the date of publication.